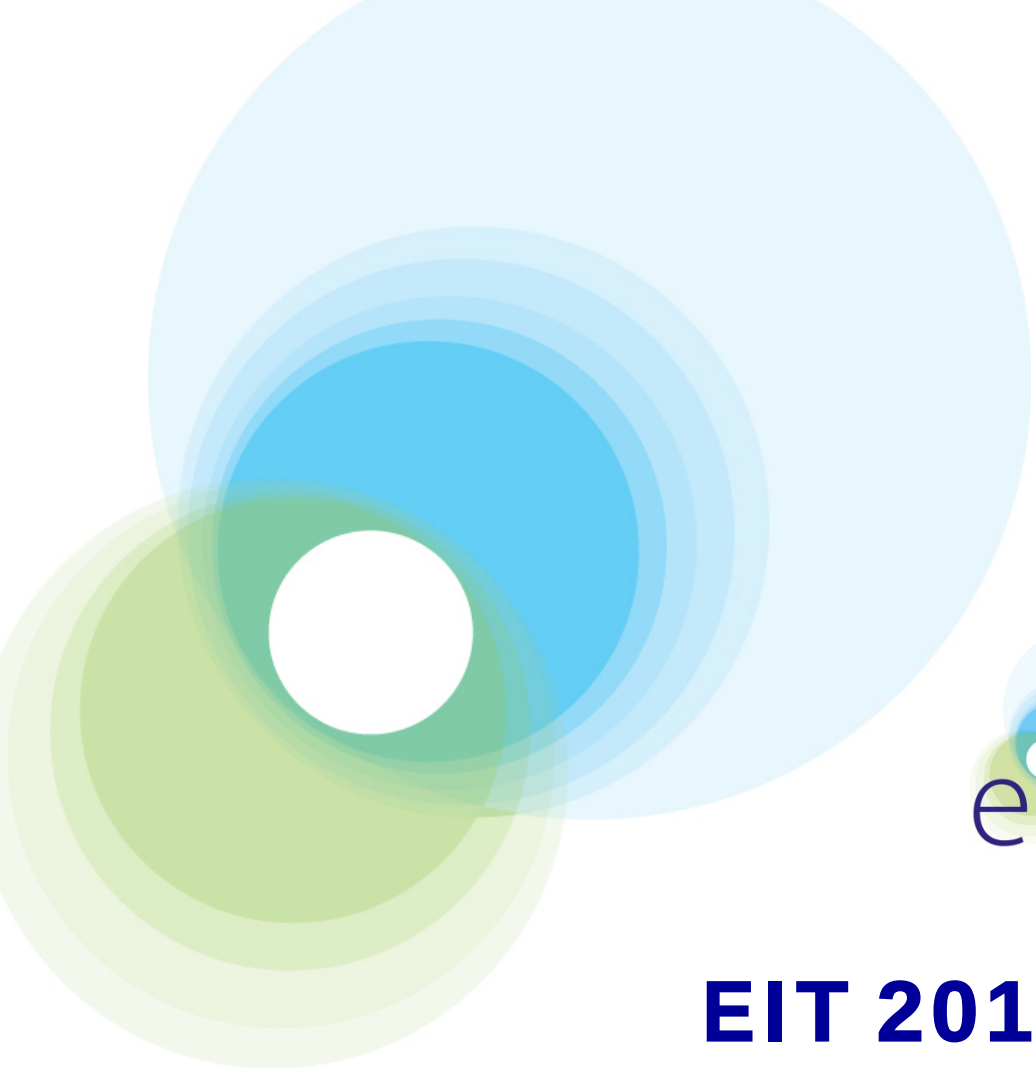

European Institute of Innovation & Technology

EIT 2014-2016 Triennial Work Programme

From High-Level Goals to Achieving Impact

www.eit.europa.eu

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INTRODUCTION

During its first years, the European Institute of Innovation and Technology (EIT) has been able to demonstrate the added value of its concept, unique features and activities by shaping a new approach to innovation at EU level with a specific emphasis on people as 'game essential to help Europe bridging its innovation gap. To this end, the EIT represents a paradigm change in the European innovation landscape in shaping and implementing next generation innovation policies via its Knowledge and Innovation Communities (KICs).

Following the set up and streamlining of both governance and managing structures with its first three KICs, the 2014-2016 period will see a transformation of the Institute into an organisation at cruising altitude meaning an evolution from the early start-up phase characterised by a limited number of partnerships and corporate EIT processes to a mature 2014-2020 scenario. This scenario will be characterised by an increased number of KICs, a portfolio approach to impact investments coupled with the ambition to effectively work not only for the KICs but for Europe at large, fully deploying the EIT's role as an Institute and reference model for novel practices regarding Knowledge Triangle integration and dissemination of learning benefiting stakeholders across and beyond the innovation landscape.

The EIT's strategic objectives for this period are to prepare for achievement of the priorities set out in the EIT's Strategic Innovation Agenda (2014-2020) and to incentivise growth, impact and sustainability: *firstly*, by enlarging its portfolio through the creation of new KICs; *secondly*, by continuing to strengthen its 'living partnerships' with the three existing KICs; *thirdly*, by increasing the EIT's impact and role as an institute for Europe through wide dissemination of innovation good practices as well as novel models attracting and developing talent from across the EU. Such high-level ambitions call for significantly scaled up, structured and more systematic engagement with all stakeholders through tailor-made and target group specific strategies facilitating knowledge exchange and mutual learnings, as well as the further exploitation of synergies and complementarities with other EU programmes and initiatives. The contributions from the current three KICs outlined in this document are extracts from each KIC's own medium-term strategy annexed to this document.

Being an integral part of Horizon 2020 as of 2014, the EIT will bring added value to the existing research and innovation base, notably by accelerating the up-take and exploitation of technologies and research outcomes and by adding an educational dimension to the EU's research and innovation policy.

The very concept of the EIT and its KICs has been designed in a way that facilitates and actively encourages synergies and complementarities in the current landscape of multi-level innovation governance in Europe through 'bottom up' policy alignment. By building on an analysis to be carried out in 2013, the EIT will further work on enhancing identified synergies between the different KICs and initiatives at EU level. From 2014-2016, the EIT will facilitate the exchange of good practices and learnings between all stakeholders at EU and national/regional level and thus, to maximise results and impact.

The EIT's Strategic Innovation Agenda (SIA)[1] presented by the European Commission on 30 November 2011 proposes six additional KICs by 2018 and a budget increase to € 3.1 billion for the future Multi Annual Financial Framework (MFF) (2014-2020). A final decision on the legislative package is expected during the course of 2013. As a result, this rolling Triennial Work Programme (TWP) for 2014-2016 outlines the strategic priorities and initiatives planned by the EIT on the basis of currently available input. All information and, in particular, all relevant implementing details presented in this TWP are subject to the final outcome of the institutional negotiations on the EIT's Strategic Innovation Agenda, the amended EIT Regulation[2], Horizon 2020[3] and its Rules for Participation and Dissemination[4].

1. SETTING-UP NEW KICS

As set out in the proposed EIT's Strategic Innovation Agenda (SIA), the EIT will timely prepare a selection procedure for the launch of a second wave of KICs in 2014 and – after the mid-term evaluation of *Horizon 2020*, including the EIT – for a third wave in 2018 leading up to a portfolio of nine KICs in the period 2014-2020. Selecting, nurturing and incentivising new KICs in their set-up phase are tasks of the highest priority for the EIT in the period of 2014 to 2016, a major challenge at all levels: strategic, operational and organisational.

Lessons learnt from the first KICs Call for Proposals launched in 2009 and the subsequent set-up phase of the current three KICs are being taken into full account by the EIT in the preparation and development of the future waves of KICs. In line with its initial 'learning by doing' spirit, the EIT will ensure that framework conditions of future KIC selection procedures are conducive to an optimal outcome, notably by providing clear guidance concerning requirements throughout the process and by allowing sufficient time for proposers to organise the partnership legally, including suitable governance and management structures to ensure future KICs' accountability to the EIT both operationally and financially.

1.1 NEW KICS - A PROVEN CONCEPT FURTHER REFINED

The selection process of new Knowledge and Innovation Communities (KICs) will be aligned with the KICs concept as it has emerged during the initial years of operation taking account of the *Horizon 2020* legislative framework, the SIA and the amended EIT Regulation. The main features of a KIC are the following:

- a long-term strategic approach: seven-year plans implemented on an annual basis anchored to business plans;

[1] Decision on the Strategic Innovation Agenda of the European Institute of Innovation and Technology (EIT): the contribution of the EIT to a more innovative Europe - COM(2011) 822, 30 November 2011.

2 Regulation amending Regulation (EC) No 294/2008 establishing the European Institute of Innovation and Technology - COM(2011) 817, 30 November 2011.

[3] Regulation establishing Horizon 2020 - The Framework Programme for Research and Innovation (2014-2020), COM(2011) 809, 30 November 2011.

[4] Regulation laying down the rules for participation and dissemination in "Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020)", COM(2011) 810, 30 November 2011.

- a highly integrated excellent partnership composed of organisations representing the Knowledge Triangle (i.e. business, higher education institutions and research organisations);
- a business like governance and management model led by a Chief Executive Officer (CEO) and a management team accountable to the KIC partners;
- a funding model consisting of an EIT financial contribution of up to 25% of a KIC's global expenditure with non-EIT sources corresponding to the remaining 75%;
- KIC activities implemented through co-location centres bringing together partners from across the Knowledge Triangle at national, regional and local level and located in Europe with the ambition of becoming world-class innovation hubs within their specific fields of operation;
- EIT labelled degrees and diplomas carried out and awarded by the KIC partner universities;
- an innovative entrepreneurial culture fostered both within and beyond the KICs;
- an ambition for world-class results, based on tangible deliverables and impact.

The future KICs Call's selection process and criteria in particular will be conducive to the above outlined model and will reflect the lessons learnt from the first KICs Call for Proposals held in 2009 as well as the EIT's progressive operational experience with its current KICs. Specific focus will continue to be given to the alignment and consistency of KICs' strategic approach with their financial sustainability, operational performance and impact indicators as well as integrated work streams within the Knowledge Triangle.

The relevance and added value of the proposed KICs' strategy (including complementarities and synergies with other EU/national/regional programmes and market initiatives) driven by excellence and innovation will be key features of the new KICs. The requirements and guidance on legal, financial and operational issues that the EIT will provide prior to the launch of the Call as well as the reinforcement of a competitive review mechanism between KICs on the EIT's annual financial allocation, will result in greater clarity and predictability to proposers and will contribute to the submission of solid proposals strongly aligned with the EIT's objectives and its vision for the KICs (cf. above).

1.2 LAUNCHING THE NEXT WAVE OF KICS

OVERVIEW

A high quality and efficient evaluation process is fundamental to secure that only the best proposals are selected within a framework that abides by the principles of transparency, equal treatment, and non-discrimination. Planning, clear communication and dissemination to a wide community of potential proposer across EU Member States and beyond, defined procedures and assignment of internal roles and responsibilities are being carefully handled by the EIT. The indicative roadmap, main phases and timing of the future KICs Call resulting in the designation of new KICs are presented in a diagramme annexed to this document (cf. Annex III).

The selection criteria for future KICs will be based on two main pillars, namely:

(1) Lessons learnt from the 2009 KICs Call for Proposals and far reaching experience attained to date with the current three KICs concerning their governance, management, financing and results;

(2) Key features of the KIC model (cf. Chapter 1.1) including sustainability and accountability.

All relevant provisions have been set out in the new EU Financial Regulation and its *Rules of Application.* The EIT will consider further derogations which are required to be included in the EIT Financial Rules, the provisions of the EIT's Strategic Innovation Agenda, the EIT amended Regulation as well as the *Horizon 2020* legislative framework.

For a consolidated perspective of the building blocks underlying the criteria and the timeline for selecting new KICs refer to Annex IV. The lessons learnt from the first KICs Call launched in 2009 underlined several areas where improvements could be made. All these will be taken into consideration in the future KICs Calls, notably:

- the call text will be clear and concise containing more precise definitions, e.g. concerning co-location centres and interactions among them across disciplinary, sectoral and geographical borders;
- the criteria for selecting new KICs will be further simplified, more specific and less numerous;
- proposers will be given at least six months to prepare and submit their proposals granting proposers sufficient time to thoroughly prepare their proposals;
- the evaluation process will be streamlined to enhance overall efficiency

In accordance with the proposed SIA and amended EIT Regulation, KICs will be selected against detailed criteria based on the overarching principles of excellence and innovation relevance. Hence, any KIC selected will have to demonstrate how it will create maximum impact in the given area of societal challenges which is being tackled by the KIC, and prove the viability and sustainability of its strategy.

KEY ELEMENTS OF THE FUTURE WAVE OF KICS

Subject to final approval by the EIT Governing Board in the first half of 2013, the EIT intends to launch a single call for all future KIC themes in 2014 with criteria for selecting new KICs related only to the overall EIT/KIC concept (the same eligibility and selection criteria for all thematic areas). Following a clearly defined and transparent evaluation and selection process (cf. below Chapter 1.3), one proposal from each of the thematic fields will be designated by the EIT Governing Board. Moreover, a reserve list of proposers will be established. Based on the EIT Governing Board's concurrence when launching the call, the key concepts of a KIC, as described above, will in general terms remain the same for the future KICs. In addition, in order to ensure equal treatment, the main provisions set out in the seven-year Framework Partnership Agreement (FPA) and annual Grant Agreements (GAs) should apply to the current and future KICs alike while taking into account their different stages of development.

The criteria and procedures for the financing, monitoring and evaluation of KIC activities will be part of the Framework of Guidance that the EIT Governing Board will adopt in 2013 prior to launching the

selection procedure for new KICs. Following the adoption by the European Parliament and Council of the EIT's budget, themes and number of KICs, practical issues related to the call will be detailed in the **call text** (e.g. objectives, scope of the call, minimum requirements for applying, instructions to submit a proposal, deadlines etc.). A **Framework Guidance** document will provide proposers with additional background information and options linked to the set-up and operation of a KIC. In particular, it will provide information on the annual grant cycles and formal requirements for receiving the annual EIT financial contributions in 2015 and in subsequent years.

ENSURING A SUCCESSFUL OUTCOME OF THE CALL: COMMUNICATION AND DISSEMINATION TOOLS

Throughout 2014, the EIT will widely disseminate the call text and supporting documentation in particular through the following channels: publication in the Official Journal (OJ) of the EU and the EIT's website. European mainstream and specialised newspapers and magazines will be used to amplify impact.

In addition, starting in the second half of 2013 and continuing throughout 2014, the EIT will organise and take part in targeted **thematic seminars** and a **KIC Call Info Day**. The thematic seminars will be aimed at wide dissemination of general information prior to the call to encourage the mobilisation and to facilitate match-making among stakeholders from the Knowledge Triangle potentially participating in the next wave of KICs. Stakeholders will be informed in advance about the key features and options to form a KIC via the Framework Guidance. A KIC Call Info Day to be held in 2014 will be aimed at presenting and explaining the call criteria and the evaluation process (shortly after launching the call), namely the requirements to structure and submit a proposal.

1.3 EVALUATING THE PROPOSALS RECEIVED

Following wide dissemination, in the second half of 2014, the EIT will organise the evaluation of proposals received in response to the future KICs Call with a view to ensure a fully transparent and fair process, including a careful selection of independent experts.

Subject to the approval by the EIT Governing Board, selection of experts will be based on clear and transparent selection criteria such as experience in the thematic areas and adequacy to the profile needed. Additionally, the EIT will ensure appropriate balance among representatives from academia, business/innovation and research sectors, while experts from outside Europe will also be considered.
Each proposal will be evaluated by a panel of experts who will assess, score and rank the proposals. The roadmap for the evaluation of KIC proposals received can be obtained from Annex VI.

Prior to the start of the evaluations scheduled preliminary for the third quarter of 2014, particular attention will be given both to the criteria and requirements to submit proposals and to comply with the principles of independence, impartiality and transparency. The list of evaluators will remain confidential and anonymous.

1.4 DESIGNATING THE NEW KICS

Following the end of the expert evaluation stage, preliminary foreseen for the end of 2014, the list of all proposals scored and ranked will be finalised. Subsequently, shortlisted candidates in each theme

will be invited to hearings with the EIT Governing Board at the EIT Headquarters. The EIT Governing Board will designate one KIC per theme and will establish a reserve list. In 2015, the designated KICs will be asked to sign a seven-year Framework Partnership Agreement (FPA) and an annual Grant Agreement (GA) 2015 with the EIT.

1.5 FACILITATING THE OPERATIONALISATION AND SET-UP OF THE NEW KICS

Following the EIT Governing Board's decision on the designation of the new KICs, the EIT will provide continued support to the newly designated KICs throughout 2015 and 2016 with the objective of facilitating their set-up and incentivise their operationalisation in a smooth manner.

Following the signature of the Framework Partnership Agreement (FPA) and upon demonstration of their organisational and financial readiness, the new KICs will be invited to sign a Grant Agreement for 2015. Lessons learnt from establishing the current three KICs are being taken into full account and translated into concrete recommendations for the new KICs through the Framework Guidance. Whilst respecting the autonomy of the KICs as independent legal entities, the EIT will closely accompany their development by providing specific, targeted advice e.g. on the set-up of co-location centres and their governance models. From early 2015 on, the EIT will launch a regular dialogue with the new KICs in form of a second EIT/KIC Forum bringing together the new KIC CEOs, the EIT Director and European Commission observer with a view to address specific issues related to the initial phase of development.

2. CONSOLIDATION AND GROWTH OF THE CURRENT KICS

During the 2014 to 2016 period, the current three KICs (Climate-KIC, EIT ICT Labs and KIC InnoEnergy) will foster their strategies and grow to deliver on their long-term partnerships with the EIT. In this new development stage, the current KICs will broaden and deepen their operations and activities, align their partnership base accordingly, further cross-KIC activities in identified priority areas, and scale-up their budgets.

The EIT's uniqueness is to build, via the funding of KICs added value activities, new approaches and innovative models for growth and competitiveness in Europe. The EIT funding model is based on smart catalysts and incentives and not the traditional "co-funding" strategies and instruments. It builds upon joint strengths and resources of existing capabilities and excellent organisations integrated in the KICs' 'living partnership' with the EIT. EIT funding helps KICs to leverage and pool supplementary financial resources from a wide range of private and public partners, by bottom-up alignment of innovation agendas rather than top-down impositions.

Flexibility granted to the EIT will be matched and translated into accountable and sustainable conditions as regards the financing, operation and evaluation of the KICs. In this context, the EIT is currently developing in close co-operation with the current KICs, a solid risk management and assurance strategy adequate for coping with the scaling-up of operations and funding to the KICs in

the mid- to long-term future covering the period 2014-2016. Similarly, the EIT will strengthen in-house and external thematic expertise and capabilities for grant management, technical and operational capabilities for assessment of KIC activities, as well as the continuous monitoring of activities in the areas of education, entrepreneurship and innovation.

DISSEMINATION AND SPILL-OVER EFFECTS

The ramping up of activities and subsequently required budget by the current three KICs over the period 2010 to 2013 has allowed them to reach a maturity which should translate into further enhanced, suitable partnership processes both at EIT and KIC level which are conducive to effective operations, simplified finance and optimal impacts for the period of 2014 to 2016. In doing so, they should establish correlations between their activities and the results to identify good practices that have shown the best return on investment and which could form a corpus of recommendations for other sectors in Europe. The spill-over effects should not only be taking place in their sector but also other sectors which could as well benefit from their return on experience.

CROSS-KIC SHARING

Starting in 2014 and in line with the EIT's goal to incentivise the KICs to engage in cross-KIC activities in areas which offer a strong potential for synergies, the current KICs will be encouraged to submit a strategy of cross-KIC sharing activities included in their annual business plans concerning specific thematic areas and mutual exchange of services of common interest among them and/or the EIT. The strategy will be aimed at, *inter alia*, , joint professional development courses, massive open online courses (MOOCs), joint research activities regarding impact analysis, masters or PhDs degrees or cross-KIC mobility between academia and business. From 2015 onwards, the strategy may include joint activities focusing on sharing knowledge and good practice with the newly designated KICs in order to facilitate their smooth and fast set-up.

2.1 KIC STRATEGIES FOR GROWTH AND IMPACT

In order to achieve continuous growth, the KICs apply a dynamic "life-cycle" approach starting from the phase of "setting up" and "developing" their respective activities as well as their governance and partnership structures continuing with the "reaching cruising altitude" phase represented by an increased scope and quality of performance and requiring a substantial amount of financial resources from the EIT; and finally reaching the "financial sustainability" phase characterised by the gradual decrease in the amount of the EIT grant required.

The current three KICs are expected to scale up their current initiatives and add new activities to their portfolios. At the same time, they are incentivised to share knowledge and good practice among the KICs, as well as to engage in outreach activities, allowing students, universities, research institutes and entrepreneurs from countries not yet included in the KIC partnership to become more involved in KIC activities. In addition, KICs are encouraged to explore new sources and instruments of funding to develop their value propositions to the benefit of future ventures in particular, in order to achieve financial sustainability in the long-term prospective.

The EIT and its current KICs recognise that the most tangible way to demonstrate their value is by delivering impacts to Europe and its citizens. This requires achieving the right critical mass of partners

and balance among Knowledge Triangle stakeholders so that a sufficient flow of activities is delivered with a potential to create long-term impact. For the KICs to be able to grow, this transition to a systematic materialisation of impacts should be demonstrated and well documented for Europe to benefit from lessons learnt from the set up to stimulate innovation within the Knowledge Triangle, beyond the direct benefits for partners taking part in the current and future KICs.
In the period 2014-2016, the KICs will continue their expansion with a view to ensure the delivery of a continuous stream of impacts. With the maturation of the current three KICs' models, ensuring their self-sustainability will become a built-in prerogative and the period 2014-2016 will be timely critical for this transition to gradually take place. The EIT and KICs will pay particular attention to the further development of the Knowledge Triangle integration as the driver for innovative product and service development with entrepreneurship education as a driving force. Outreach is a second priority area which will take place on three levels:

1) strengthening of their competence set by continuously enhancing and aligning their partnership,
2) broadening of their activities on a wider geographical scale across Europe,
3) exploring and engaging international co-operation opportunities.

Climate-KIC's 2014-2016 Strategy

Climate-KIC's current strategic thinking is based on the assumptions set out in the Horizon 2020 initiative and the proposed budget allocation to the current three KICs. Its strategy strikes a balance between the funding of KIC added-value activities (KAVA) financed by the EIT's annual contribution and funding provided by its partners. This creates a balance between public good and private gain. Tapping into the Climate-KIC eco-system's competences and capacities is fundamental to KIC partners' plans for growth.

Overall Strategic Outlook 2014-2016

Climate-KIC's vision is to create opportunities for innovators to address climate change and shape the world's next economy. Addressing the related societal challenges requires drastic transitions in the way we produce and live, which in return require citizens and companies to become agents of change. They cannot be addressed only by technology-push innovations but very importantly need also to pull measures that require the involvement of policy and law makers, economists and finance experts. Creating innovative products or services is therefore only half Climate-KIC's task. To be effective, Climate-KIC wish to trigger and implement transitions and this is the reason of the involvement in cities, regions and policy makers.

Non-EIT Funding Sources

Climate-KIC complementary activities meet three basic criteria: strategic fit, excellence and innovation potential. Additionally, they contribute to the demonstration of thought leadership by Climate-KIC in the fields of climate change adaptation and mitigation. Regarding co-funding Climate-KIC partners are encouraged to increasingly contribute their own resources. Climate-KIC's analysis suggests that the most sustainable and synergistic income stream is through a return on value through investment in the businesses and projects that Climate-KIC incubates. Climate-KIC therefore aims to establish an investment model in 2013 whereby the KIC can hold equity assets in start-ups and ventures. Climate-KIC partners' 2013 budget contributions for so-called KIC Complimentary Activities (KCA) provide clear evidence that the KIC will not have any difficulty in generating relevant KCA to enable the release of an EIT annual contribution of approximately € 100 million. Additionally, over the period 2014-2016,

Climate-KIC will develop other knowledge and service oriented business models that are complementary to the core Climate-KIC activities, such as education services, project-support services and platform-based revenue streams.

KIC Management: Governance Model and Partnership

Climate-KIC is a world-class community of partner institutions that educates climate innovators, supports good business ideas, and develops valuable products, services and markets that address climate change. Climate-KIC is a deliberately structured, cross sector community leveraging the individual partners to create an integrated, synergistic whole including top universities and research institutes, large business, SMEs, NGOs and regional/city government.

EIT ICT Labs' 2014-2016 Strategy

EIT ICT Labs has developed a set of value-adding activity types, the *catalysts*, and applies them on top of existing complementary activities, the *carriers*, to create added value and achieve high leverage. During 2014-2016, the EIT funding will continue to be applied only to the development and application of catalysts, while carriers must be based on complementary funding from other sources. The performance of the catalysts is monitored, and the set is developed further on the basis of the results.

Non-EIT Funding Sources

During 2014-2016, EIT ICT Labs do not anticipate major changes in the shares of funding sources. In 2013, EIT's share of the total budget of EIT ICT Labs will be at 21%. Other funding to KIC activities comes from partners' own contributions (22% in 2013), other EU programmes (19%), national/regional sources (32%), and other private/public sources (6%). EIT ICT Labs expect the funding from third party sources (e.g., international ICT companies) to increase over the years with direct investments in the vicinity of its co-location centres (CLCs). The development of its own sources of revenue is part of the long-term strategy of the KIC.

KIC Management: Governance Model and Partnership

The current EIT ICT Labs legal form and governance model is designed to give the KIC a strong presence both at the European level (the KIC) and at the national level of its nodes presently in Finland, France, Germany, Italy, the Netherlands and Sweden. EIT ICT Labs do not foresee drastic changes in its basic set-up. EIT ICT Labs will continue its organic growth both to expand its European footprint and especially in response to the excellence and impact route needs of action lines. It has defined a formal process for selecting new partners at various levels (i.e. core, associate, affiliate), and will use it to expand its present (industrial) partnership.

KIC InnoEnergy's 2014-2016 Strategy

Overall Strategic Outlook 2014-2016

Based on the assumption that the EIT annual contribution envisaged to be granted to the KIC will not be drastically changed, KIC InnoEnergy will reach in the period 2014-2016 the permanent regime phase and will have a budget of € 400 million for each annual business plan.

Non-EIT Funding Sources

KIC InnoEnergy's financial strategy reflects a profit but "not for dividend" strategy where profits are re-invested in new activities. This goes together with an effort of progressive financial sustainability meaning the independence from a single source of "revenue". The partners' own contribution is the big contributor: € 300 million. Sources generated by KIC InnoEnergy business model will represent, in the long run, 20-25% of the total sources budget. The EIT contribution remains substantial, as expressed previously, for some activities like education and partially business creation, but the ratio decreases from 25% over the total budget to around 10%.

KIC Management: Governance Model and Partnership

KIC InnoEnergy is a fully operational commercial company, currently with 28 shareholders incorporated as a *Societas Europaea* (SE). The governance structure, is one of the key success factors, and as such, will be further reinforced. KIC InnoEnergy partners are top-rank industries (98 in 2013), research institutions (15 in 2013) and universities (27 in 2013) as well as business schools (2 in 2013), that are top players worldwide in their domain of expertise. They are geographically mapped across Europe and associated either with one of the six co-location centres or the KIC level. The partnership will remain open and will not be limited to the countries where the co-location centres are established. Partner selection follows the rationale of incorporating the necessary excellence to be delivered in the KIC's activities. In the period 2014-2016, KIC InnoEnergy will continue the focused outreach towards the top players (identified in 2012) by integrating them into KIC activities.

2.2 KIC ACTIVITIES

2.2.1 "DEEPENING" AND "WIDENING" OF ACTIVITIES

Over the 2014 to 2016 period, all three KICs will continue intensifying their current initiatives ("deepening"), adding new activities to their portfolios broadening their partnerships and exploring new sources of funding ("widening"), in order to eventually reach financial sustainability. In addition to its funding support, the EIT will take an active role in sharing the knowledge and good practice with KICs and providing them with annual guidance, including EIT labelling of some activities, based on the results of the performance monitoring. The portfolio of activities stemming from the agendas of education, entrepreneurship and innovation, form the centre piece of its strategy. For the period of 2014 to 2016, KIC activities will concentrate on:

- harvesting the results of those activities that have already matured;
- further developing those activities that need to reach an increased level of maturity;
- developing new activities that build on the expertise gained to date in order to further tap into the potential offered by the densification of the network of knowledge triangle stakeholders;
- maintaining competence mapping to ensure full alignment, especially with new activities and best partners when benchmarked against other global actors;
- increasing the level of venture capital to optimise and accelerate the delivery of impactful results (e.g. including potential alliances with the European Investment Fund); and

- systematically scouting for opportunities to meaningfully enlarge the partnership through win-win situations (with a particular emphasis on targeting SMEs).

The KICs have progressed strongly in the first three years of existence; processes have been developed, put in place and refined. As a result, strong fundamentals have been laid for further KIC growth with further consolidation and refinements to the system remaining an on-going process. In particular, the EIT will support KIC level learnings as regards accountability and sustainability of its partnerships.

Climate-KIC's 2014-2016 Strategy

Over the years 2014-2016, Climate-KIC key activities will include *inter alia* the following:

- Maintaining excellence: Climate-KIC is built on excellence. To ensure this key quality to Climate-KIC's activities they will develop an external evaluation process, bearing in mind the limitations of confidentiality where IP is concerned.
- Learning from the experiment: to achieve ambitious goals Climate-KIC must experiment with new ways to support and accelerate innovation. The outcomes of this research will feed into Climate-KIC's forward strategy and planning and become transferrable knowledge from the experiments in innovation.
- Challenge Platforms: Climate-KIC will firmly establish the Challenge Platforms which delineate and empower eight innovation communities. These will help the KIC Executive define demand side innovation challenges and integrate educational and entrepreneurial activity around those challenges.
- First-mover advantage: Climate-KIC will help innovators capitalise on new business opportunities driven by Europe's first-mover response to climate change.
- 'Greening' the KIC: Given its mission, Climate-KIC seeks also to reduce the carbon footprint of the KIC itself and its partners. The strategic concept for the climate accounting and the seven work packages will be initiated in 2013.
- Establishing a global profile and footprint: developing models of engagement, methods of assessment and identifying opportunities for development for implementation from 2013 onwards.

Co-Location Centres (CLCs) and Regional Innovation Implementation Centres (RICs)

Geographically Climate-KIC is present in ten European countries (incl. Switzerland), in five co-location centres (CLCs) and six Regional Innovation and Implementation Centres (RICs). These are together Europe's leading community for climate innovation, with a complementary role. The CLCs develop climate innovation, with both knowledge institutions and industry in the lead. The RIC regions deploy climate innovations by involving relevant actors, developing test beds and accelerating transition to low-carbon economies. To reflect these different and complementary roles, they have different governing structure. The CLCs are led by world class industry and academic/research partners, while public bodies (regional governments, development agencies and consortia) are the lead institutions in the RIC regions. Decentralisation to CLCs and the RIC of innovation activity is a key requirement as Climate-KIC grows. During the strategic review of the Climate-KIC community in CLCs/RIC performed in 2013 the potential for a future new CLC or region will be explored.

International Vision (towards non-EU countries)

Climate-KIC students and pioneers are key in reaching out beyond the boundaries of Climate-KIC's core community, as they come from and return to countries all across Europe and beyond. Existing relations in the USA have a twofold aim of searching for market opportunities for the Climate-KIC start-ups and learning how the US ecosystem for entrepreneurship works. International engagement provides advantage to Climate-KIC: expertise or implementation test beds not available in Europe, new sources of funding or, very importantly, access to new markets. Such international relationships take time to build in a progressive manner, with short, medium and long term targets identified.

During 2014-2016, Climate-KIC will remain agile and opportunistic in this field and aims to take advantage of opportunities when they arise. The Climate-KIC international relations strategy is being developed in 2013 to ensure the proactive development of an international footprint, virtual or physical. The strategy will also support decisions regarding the many approaches Climate-KIC is already receiving from as far afield as Australia, Singapore, India and Qatar.

EIT ICT Labs' 2014-2016 Strategy

In 2014-2016, EIT ICT Labs activities can be grouped under three main headings:

1. *Innovating with ICT:* Action lines aimed at ICT-enabled innovations in key European technological domains such as health and well-being, mobility, and energy.
2. *Innovating in ICT:* Action lines aimed at technology-driven innovations within the ICT domain itself, especially telecommunications and business ICT.
3. *Innovating in education:* Master School and Doctoral School action lines providing a Europe-wide platform for linking innovations and entrepreneurship with solid engineering and business education.

EIT ICT Labs expect all these lines to have impact on creating new ventures, growing existing SMEs, and renewing existing firms through new business opportunities. More specifically, action lines oriented towards innovating with ICT seek impact through the contribution of ICT in future system-level solutions, products, and services in domains such as smart energy, health and wellbeing, digital cities, and intelligent transport systems. Action lines oriented towards innovating in ICT seek impact through adoption of their results by established ICT companies or new ventures. In all this, the entrepreneurially oriented graduates of EIT ICT Labs education initiatives are likely to play a key role.

Co-location Centres (CLCs)

The focus of EIT ICT Lab's co-location strategy is on ensuring that the CLCs become world-class innovation hotspots characterised by frequent encounters between people from academia, research centres, and industry working together in the spirit of open innovation. During 2014-2016, specific initiatives and investments will be executed to further drive this strategy, including the Doctoral Training Centres; the Business Development Programme; and initiatives to strengthen the CLCs' capability management, marketing and communications.

International Vision

In 2014-2016, EIT ICT Labs will continue and expand its systematic outreach operations in Eastern Europe. The KIC commenced short-listing of candidate sites and partners outside Europe, especially Silicon Valley/Bay Area (Stanford, Berkeley) and Boston area (MIT) in the USA and various actors in

the BRIC countries (Brazil, Russia, India, China). During 2014-2016, some of these initial contacts are likely to become operational in areas such as joint innovation actions, experiments and field studies, technology transfer, educational outreach, and student and teacher exchange.

KIC InnoEnergy's 2014-2016 Strategy

KIC InnoEnergy's activities in the three business lines of education, innovation, and business creation are designed, developed and implemented by the partners' resources, with the process being executed and managed by the executives of KIC InnoEnergy. One of the key characteristics of the partnership is the essential presence (as the numbers show) of industrial partners, both SMEs and major companies, covering most of the energy value chain.
During 2014-2016, the impact of KIC InnoEnergy's performance will be translated into job creation, increase of competitiveness of the European energy industry, support for the growth of the European energy industry, support for a sustainable energy development and creation of a more efficient way of doing innovation. In quantitative terms and in terms of output objectives this will be translated into:

- 1,000 Master of Science (MSc) graduates and 300 PhDs per year representing 5% of the total pure sustainable energy talent delivered in Europe per year;
- an average of 60 new products and services per year coming from innovation projects; and
- a target of 250 ventures nurtured and 30 start-ups launched per year.

Co-location Centres (CLCs)

Physical integration of the knowledge triangle happens in the six business units, which are the co-location centres. The CLCs are the implementation arms of KIC InnoEnergy, responsible for the implementation of the agreed KIC InnoEnergy business plan, and accountable for the delivery of the agreed objectives and outputs.

International Vision

KIC InnoEnergy has an International Relations Committee that is responsible for defining the international strategy of KIC InnoEnergy. As of today, and for the next years to come, the target markets where KIC InnoEnergy will be proactive are: China (already started with the Chinese Academy of Science) and USA (already started with several players). The goals and objectives under exploration with those countries, to be developed over the 2014-2016 period, are:

- Identify pools of talent in order to link those to the education activities to source top talent,
- Identify niches of excellence in certain technologies to add their expertise and competence to KIC InnoEnergy's strategic roadmaps,
- Identify "customer markets" (industry segments) where KIC InnoEnergy could deploy the technology and services developed in its innovation programmes, as per definition underneath,
- KIC InnoEnergy services to external prospects,
- Benchmark its innovation models (Knowledge Triangle, Highway™, Education Raw Materials) to best practices in those continents/countries,
- Co-development of innovation impact models

Special attention and resources will also be devoted to Non-EU Mediterranean Countries since their contribution to an energy solution to Europe might be required. For other areas of the world KIC InnoEnergy will keep being reactive.

2.2.2 KNOWLEDGE TRIANGLE ACTIVITIES AND INTEGRATION

The three current KICs are consolidating and as a natural evolution of this process, activities proposed show a higher degree of integration between the different actors within the knowledge triangle. This tendency will increase during the course of the 2014 to 2016 period. In 2014 to 2016, the EIT will not only continue to support the KICs in their activities, but will work closely with the KICs to create an "EIT brand" built upon proven successful initiatives by the current KICs over previous and present business plan periods.

As regards Knowledge Triangle integration, the EIT and the KICs will embark on a joint project to assess the design, implementation and effectiveness of the present innovation eco-systems. Attention will be given to the experiences gained within the EIT community as well as by other actors in Europe and beyond. During the period of 201 to 2016, the EIT will also explore whether a conceptual model can be developed to assess the Knowledge Triangle. Such a model may enable the identification of success factors through emerging good practices in entrepreneurship, education and innovation. The project itself will be a vehicle for cross-KIC exchange of experience and good practice.

During the years of 2014 to 2016, the EIT in close co-operation with its KICs, will strengthen the enabling environment for new start-ups, SMEs and established businesses so as to shorten the time-to-market for the products and services developed. One focal point will be the interaction with venture capital firms as providers of capital and a range of supporting services.

Complementing this, the EIT will exploit synergies and links not only with *Horizon 2020* but also with other EU-level initiatives in the multi-level governance of innovation, including initiatives such as *Erasmus for All*, the new Programme for the Competitiveness of Enterprises and Small and Medium-sized Enterprises (COSME), and Structural Funds. The EIT will incentivise its KICs to develop joint activities on cross-cutting topics in the fields of education, entrepreneurship (including business creation, social entrepreneurship and intrapreneurship), world-class research/innovation as well as leveraging international co-operation and global outreach.

EDUCATION

In the area of education the years of 2014 to 2016 will be a time for analysis for the EIT and its KICs on initiatives such as newly developed joint degrees, newly created master and PhD programmes with the co-operation of the worlds of academia and business, the definition of modules or intensive courses (in the form of summer courses and/or executive training), e-learning and Open Educational Resources (OER) related initiatives, Continuing Professional Development (CPD) courses, cross-KIC mobility between academia and business, joint mentoring activities and/or joint international co-operation projects.

The EIT will contribute to the European Higher Education Area (EHEA), with the characteristic for the period of 2014 to 2016 being that more emphasis will be put on the dissemination of lessons learnt as well as on outreach strategies to maximise the impact beyond the current KICs. The EIT education agenda defined by the continued close co-operation between the EIT and its KICs will focus specifically on the consolidation the EIT label and EIT labelled degrees and the building up of an EIT Alumni community (cf. Chapter 3).

From 2014 onwards, the initial experiences with EIT labelled degrees and their implementation will foster further outreach activities including new curricula developments, either as full master/ PhD programmes, modules or intensive courses, executive trainings, or others. The EIT will incentive and encourage international joint degrees or the exploration of innovative practices such as a stronger role on the decision making processes involved on the management of masters and PhD programmes (e.g. the selection of students, etc.).

Master and doctoral schools launched by all KICs will be fully operative and consolidated during the 2014 to 2016 period. The different KIC models for these will prove the potential and adaptability to their respective themes. During this period, the EIT will make use of experiences gained and compare these models with other existing ones in Europe. In order to identify outstanding examples of good practice in this type of education, while targeting trainers and teachers, the EIT will explore the possibility of creating during the 2014 to 2016 period, a series of events to exchange good education approaches both from the KICs and other EU funded projects.

Climate-KIC has a twin approach for education and training in climate change innovation to improve the understanding within established businesses of the opportunities and threats of climate change to their sector; whilst creating a world class cohort of climate change innovators and entrepreneurs who can deliver solutions to business challenges, create new climate change products, services and policies. Climate-KIC's students learn by doing. In Climate-KIC they experience and learn how business, politics and research interact in the process of translating business and policy ideas into marketable reality as real protagonists. They learn the basics of climate change science and policy, as well as how to generate marketable ideas and develop a business plan from these. Climate-KIC creates a multidisciplinary community of student innovators where they learn how to work as teams and mould their inventions into viable businesses.
Labelling for EIT master programmes began in 2012. In their multi annual strategy Climate-KIC aims to label over 100 masters programmes across the KIC, covering all thematic areas of Climate-KIC's platforms. The label will be expanded during 2013 and consolidated during 2014-2016 to both individual PhDs and to doctoral schools.

During 2014-2016, the main emphasis of the ***EIT ICT Labs*** education pillar will be on growing existing initiatives to their full scale by increasing the student intake of the Master and the Doctoral School and by establishing new Doctoral Training Centres (DTCs). The 2015 goals are to increase admission up to 500 students to the Master School, 100 to the Doctoral School and to have eight DTCs in operation. The speed of the scaling will depend critically on the ability of EIT ICT Labs to orchestrate complementary funding for student scholarships, in particular from relevant EU programmes.
To complement these actions, EIT ICT Labs will also launch (1) an initiative focusing on continuing education on market-relevant ICT skills and competences and (2) an educational outreach initiative, intended to spread the innovation and entrepreneurship education components of the Master School and the Doctoral School to further sites in Europe and elsewhere. The latter programme is likely to include also a mobility scheme for the teachers.

In the years 2014-2016, ***KIC InnoEnergy*** will develop adapted Intended Learning Outcomes (ILO) in sustainable energy themes, entrepreneurship and new economy management, and train students, PhD candidates, and mid-career professionals on those new ILO. Their talent will be applied in a pragmatic and real "learning on the job" in KIC InnoEnergy innovation projects. Finally, their new

ideas will be nurtured in KIC InnoEnergy Highway™. Mobility, hands-on-the-job and permanent contact with industry are attributes that are embedded in the education programmes.

ENTREPRENEURSHIP

To date, the KICs have elaborated and implemented with success strategies to support start-ups, strengthen SMEs, renew the portfolio of companies and instil entrepreneurial competences in staff and students alike. The EIT has complemented these with targeted activities such as the EIT Roundtable for Entrepreneurs, the EIT Awards for Entrepreneurship and steps to build pan-European networks of innovators and entrepreneurs offering high growth potential for Europe.
The period of 2014 to 2016 will be characterised by the integration and fine-tuning of EIT and KICs' activities in order to shape a highly effective EIT entrepreneurship programme with impact. Furthermore, during this period, the EIT will ensure that KIC activities are appropriately known and tuned as world-class entrepreneurship aspects characterised by the added value over other existing initiatives in Europe. For this links with relevant stakeholders such as the European Business & Innovation Centre Network (EBN), Enterprise Europe Network (EEN), and the European Patent Office will be fostered. An exciting new development is the exploration of a strategic collaboration with the European Investment Fund (EIF) to support innovative entrepreneurship and leverage early stage support beyond the means currently available to the KICs. This action will be the flagship of a programme with the objective of strengthening the enabling environment for start-ups and young entrepreneurs, e.g. by facilitating access to capital.

The collaboration between the EIT and its KICs will be intensified, cross-KIC interaction and collaboration will be stimulated, and good practices will be identified and made available through papers in the forthcoming EIT technical series to a wider public. It will be investigated whether collaboration between KICs in specific areas (e.g. top master classes and intellectual property aspects of entrepreneurship) provides benefits by enhancing quality and widening possibilities because of the larger scale. The recent master class on Business Model Generation organised jointly by EIT ICT Labs and Climate-KIC serves as example.

Climate-KIC entrepreneurship pillar exists to support entrepreneurs, innovators and companies to fulfil their ambitions of making a difference to climate change whilst also making an economic impact and creating job growth in the EU. During the years 2014-2016, Climate-KIC's main three aims will continue to:

- Generate more high growth climate start-ups
- Support climate starters to grow faster and to expand internationally
- Provide growth opportunities for existing business

The entrepreneurship pillar does this through incubation, top quality action learning in Master classes, mentoring, hands-on coaching, market development and providing funding mechanisms, specifically for the "proof of concept" phase. The entrepreneurship programmes are designed to accelerate time to market, create value and reduce risk.

For the years 2014-2016, the strategic goal of the business activities of ***EIT ICT Labs*** is to build a comprehensive end-to-end platform for catalysing new ventures, growing existing SMEs to European and world-class scale, and facilitating the renewal of established large industries. Entrepreneurship forms an essential ingredient in all these objectives. The key initiative in this domain was the launch

of the EIT ICT Labs Business Development Programme in 2012. During 2014-2016, the emphasis is on developing the services of this programme further towards the strategic objectives, especially services supporting access to capital and rapid internationalisation of a venture's business.

The business creation services activities of ***KIC InnoEnergy*** will deliver a set of added value services to entrepreneurs so that they will become successful and rapidly growing companies. Those individuals can come either from the students, PhD or mid careers professionals trained within KIC InnoEnergy education programmes and working on innovation projects, or from external sources. The business creation services are defined at KIC InnoEnergy level and implemented locally in each co-location centre.

INNOVATION

The three KICs have invested heavily in the design and implementation of innovation eco-systems and programmes offering world-class potential in terms of breakthrough innovation models and new business with sufficient growth potential. In doing so, challenges had to be overcome beyond traditional discipline, sector and geographical borders. In essence, major progress has been achieved in the collaboration between academic institutes and private companies through people as 'game changers' is pursued, however major changes require patience and wisdom. Based on their mandate and societal challenges, each KIC has assembled a specific set of core competences and knowledge domains which have driven the focus of their innovation programs. Common areas of activities have arisen, although with different emphasis based on their visions, strategies and partnership basis. Experiments have been conducted with different mechanisms to define innovation projects, to shape the collaboration between different partners and to involve MSc and PhD students in innovation activities.

In the years 2014 to 2016, an intensive cross-KIC interaction and co-operation in the field of innovation will be commenced on two levels: processes and contents. The EIT and KICs will actively discuss and compare the different approaches taken to identify promising opportunities and elaborate these into new products and services in a co-creation process involving all actors of the Knowledge Triangle. Successes and difficulties will be shared. Good practices will be taken up by KICs and published as reports in the new EIT technical series so as to make these experiences broadly available. The KICs will jointly discuss and define actions how to address the difficulties to be overcome, examples being how to deal with the differences in mind-set and professional motivations between the Knowledge Triangle actors as these lead to misunderstandings and inefficiencies, how to guide project development notably between academia and the business sector, the qualifications and competencies which project managers have to have and the balance between projects which are defined " top down" and "bottom-up".

In line with this, during the period of 2014 to 2016, the EIT and its KICs will co-ordinate efforts to identify the most successful initiatives of each of the KICs, will analyse the scalability of these on other settings, themes and regions, and will create a dissemination strategy that will foster impact of these beyond the KIC partners and regions of action. Furthermore, the EIT will explore the possibility together with KICs to create stronger bridges with world-wide innovation hotspots in the world, to ensure that KIC initiatives are linked and updated with other relevant world areas known to be leaders in innovation.

On the level of content, the merits of cross-KIC collaboration will be explored with a view to accelerate tangible results. The three current KICs have different strengths, knowledge and competences which may be brought together in different areas, and may have in particular value for systemic or specific projects which may benefit from cross-KIC collaboration. EIT ICT Labs may have competencies which could benefit Climate-KIC projects with a large ICT component. These areas may constitute a full theme, for instance Sustainable Cities

Climate-KIC innovation helps both business and government to develop new products, services and policy and ultimately foster high-growth European companies that will deliver to global markets. Innovation provides a creative and stimulating environment for students, entrepreneurs and innovators. During 2014-2016, innovation will continue to fund projects that deliver climate impact, deliver high value innovation, open new markets and create new jobs for Europe.
The two types (*Pathfinder* and *Innovation*) of projects create a pipeline spanning the entire innovation chain including market identification and development, innovation development, testing and market deployment. Projects build on a large array of Climate-KIC's complementary activities in education and entrepreneurship, and the know-how and creativity of Climate-KIC's world class community. The capabilities of the Climate-KIC community are thematically aligned in the eight *Challenge Platforms*. In the next five years they aim to create a range of products and services clustered around the identified Platform challenges that translate into highly innovative products, services and policies.

At the core of **EIT ICT Labs**' approach to world-class innovation is the concept of *thought leadership in ICT innovation*, created and reinforced by the *innovation cycle:*

1. *Set the agenda*: Build and maintain the competence for defining compelling and engaging visions of the future and getting them recognized by the key stakeholders.
2. *Mobilise actors and resources*: Build and maintain the competence of recruiting other relevant actors and their resources – funding, brains, technologies – to pursue the goals of the agenda.
3. *Execute*: Build and maintain world-class competence in executing the full scope of activities needed.
4. *Deliver*: Build and maintain world-class competence in bringing the results to the market and facilitating their commercial success and impact.

This, in turn, requires access to key resources and skills:

1. *Set the agenda:* Excellent people and ideas, excellent strategy process, excellent foresight provided by the Innovation Radar catalyst
2. *Mobilise actors and resources:* Excellent network, partners and brand; excellent liaison with related initiatives; excellent business planning process
3. *Execute:* Catalyst-carrier model, action line model, CLCs and their infrastructure, excellent operational processes.
4. *Deliver:* Education outreach, business incubation, exploitable R&D results.

During the years 2014-2016, ***KIC InnoEnergy's*** innovation projects within the European Strategic Energy Technology (SET) Plan will be selected according to their degree of improvement or disruptiveness in terms of impact (cost-efficiency, security, CO2 emission, European autonomy), competences of all partners will be mapped, and this will create the final layer of innovation that will allow new products and services to be delivered in due time at the right cost. No basic research is pursued as the objective is to cover the "last mile" [i.e. the final leg of delivering connectivity from a

provider to a customer], in order to transform the existing technology assets into tangible new commercial opportunities.

From 2014 onwards, the EIT may reserve a specific part of the EIT-KIC grant to incentivise cross-KIC activities, exchange, practical learning and co-operation among both current and future KICs. As a starting point, in the 2014 to 2016 period, the EIT and its KICs will experience this possibility by funding through this mechanism an online education initiative that will gather around a single programme some of the already proven successful experiences of the current KICs.

With the consolidation of the KICs, there is a tendency in many of their activities to be evolving towards a more "natural common zone" between the different knowledge triangle pillars in such a way that some of them can no longer be considered just as part of education, entrepreneurship or innovation. This integration of pillars is a process that will be properly analysed by the EIT and its KICs and constitute one of the key factors of the future EIT approach. The conclusions from this analysis will be applied (1) to ensure that future KICs make the best of this experience to facilitate their consolidation and (2) to disseminate this further outside the KICs as part of an overall EIT outreach strategy.

In the years 2014 to 2015, the EIT will organise at its seat in Budapest/Hungary a first meeting with the Directors of all Co-Location Centres. This first get-together will serve as an initial opportunity for all directors to present to and learn about their peers main areas of activities and integration practices, to exchange ideas, and to foster cross-KIC interaction among partners from different KICs in a flexible way.

2.2.3 HORIZON 2020: THEMATIC ALIGNMENT

In order to further enhance impact and to incentivise innovation in new areas of societal challenges, and pending the outcome of the on-going negotiations, the EIT will gradually expand its portfolio of KICs. According to the Commission's proposal, in the 2014 to 2020 period, new KICs will be set up in two waves in 2014 and 2018, leading up to a portfolio of nine KICs in the period 2014 to 2020 (equalling the set-up of 40-50 co-location centres across the EU). New KICs will be set up in areas of large societal challenges which offer a true innovation potential. The EIT thereby fully contributes to the goals of the larger EU policy agenda and in particular to the proposed objectives of Horizon 2020.

Climate-KIC's 2014-2016 Strategy

Synergies

As an integral part of Horizon 2020 Climate-KIC aims to work closely within similar initiatives. Interactions with other European programmes, such as the Environment Action Programme, the Eco-innovation Action Plan, and the regional Cohesion Policy programmes supporting green growth for SMEs will bring in diverse perspectives and create strong synergies within the Climate-KIC community. The RIC takes the lead in the collaboration with the European Commission services for Enterprise and Industry (DG ENTR) as well as Regional Policy and Cohesion (DG REGIO). Climate-KIC aims to strengthen the co-operation with Climate Action (DG CLIMA), and build on the established links with Joint Research Centre (JRC) in key focussed areas e.g. Greenhouse Gas measurement.

Complementarity

Climate change mitigation and adaptation require a global economic and societal transformation comparable to the industrial revolution. Existing markets must be radically altered and new ones created across a variety of sectors. Climate KIC's mission is to significantly accelerate and stimulate the innovation required for this transformation, and ensure that Europe benefits from it through technologies, policies, companies and jobs. Horizon 2020 stimulates a wide range of new collaboration possibilities for Climate-KIC. On partner level they are building on existing relationships. Climate-KIC partners work together on FP7 projects to expand the upstream research part of their ecosystem portfolio and to set the stage for future downstream innovations. On national level research agencies already co-fund innovation projects (in France, Hungary, etc.) involving Climate-KIC partners.

EIT ICT Labs' 2014-2016 Strategy

Synergies

EIT ICT Labs contributes to all pillars of Horizon 2020 as an enabling platform for new products and services addressing societal challenges; as embedded to core technological domains to drive industrial leadership; and as part of the excellence in science both as a discipline of its own and as a driver for computational science. EIT ICT Labs is active in all these domains through innovating both with ICT and in ICT in its action lines and through its educational initiatives for empowering the ICT talent for the future.

Complementarity

The integration of the domains of the Knowledge Triangle, enacted in the practical work of the action lines, forms the basis of the complementarity of EIT ICT Labs and Horizon 2020. This integration allows EIT ICT Labs to pursue cross-pillar synergies and strategies that otherwise would be out of reach of Horizon 2020 elements. By linking national and European initiatives in a single structure, EIT ICT Labs can also pursue opportunities that require action at both levels. At the operational level, the catalyst-carrier principle ensures the complementarity of the investments made with EIT funding to the deployment of Horizon 2020 funding.

KIC InnoEnergy's 2014-2016 Strategy

KIC InnoEnergy contributes to the societal challenge of a decarbonised society, described extensively in the European Strategic Energy Technology Plan (SET plan) which represents the road ahead for the EU initiatives in the field of energy. In this context, KIC InnoEnergy is complementing other initiatives with a different approach, and with very clearly defined goals: decrease the cost of energy (€/kwh), increase the operability (intrinsic and security of supply) and decrease the GHG effects).

KIC InnoEnergy's vision is to be "the leading engine for innovation and entrepreneurship in sustainable energy" and the key in its approach is the leverage of the knowledge triangle. A global positioning of KIC InnoEnergy vis à vis other EU instruments is depicted in a simple maturity model for Technology Readiness Level (TRL) and Customer Readiness Level (CRL) (cf. Annex VII).

2.3 ENSURING QUALITY OF RESULTS

During the years of 2014 to 2016, the EIT will continue to ensure excellence, quality of results and increasing impact, in particular by further enhancing and refining the comprehensive system and dynamics for continuous monitoring at all governance levels as introduced in 2012. Through the combination of a fully operational Performance Measurement System (PMS) focusing, in the period of 2014 to 2016, on key performance indicators (KPIs) and measuring impact and refined criteria for the annual allocation of competitive funding giving predominance to the KPI results achieved by the KICs (cf. below Chapter 2.3.2) will the EIT be in a position to incentivise the KICs to deliver quantitative outputs (e.g. number of start-ups created) and gradually over time impacts (e.g. number of new jobs created) through:

- performance-based funding and competitive allocation of funding (cf. Chapter 2.3.1),
- accountability in terms of predictable performance indicators (cf. Chapter 2.3.2),
- close monitoring of the outputs, coupled with accountability.

With respect to ensuring the quality of the KICs' results, a multi-pronged approach will govern the activities for the period of 2014 to 2016 building on the expertise gained to date. In order to assess the quality of deliverables over time and to reinforce the monitoring of outputs, systematic technical reviews will be performed at least on an annual basis to gauge the relevance, uniqueness, effectiveness and efficiency covering the whole life cycle of corresponding initiatives and activities.
As part of the KPIs reporting, the KICs will demonstrate the direct links between the outputs achieved and the KIC added value activities having enabled this success. This will allow the EIT to screen and analyse with the KICs those actions which have demonstrated their potential in delivering tangible results and leverage. As a result, this will contribute to reinforce the EIT's role as an engaged leader in applied innovation processes and models.

Concerning funding flows and with a view to ensure the quality of the KICs financial reporting, a thorough risk assessment strategy will continue to be implemented and strengthened in the 2014 to 2016 period covering in particular systematic *ex-post* in addition to the *ex-ante* verifications. This canvas of measures to ensure the quantitative and qualitative aspects of results (at the planning, monitoring and reporting stages) achieved by the KICs is there to incentivise the KICs to outperform.

2.3.1 COMPETITIVE REVIEW MECHANISMS

THE KICS: INTERNAL QUALITY MECHANISMS

Fit for purpose is the KICs rationale in their endeavour to deliver quality outputs. This entails the stimulation, screening, monitoring, uptake and evaluations of innovative activities within their communities and beyond. This is amongst others reflected in the KICs' competitive and highly selective internal review mechanisms for their partners' proposals, which aim to filter the most promising ideas.

This requires quality management processes that need to be enforced and maintained to always better serve the purpose and adapt to the changing realities brought by the change of scale of their operations and the increased maturity of their governance. For the 2014 to 2016 period, the current

KICs will continue to build on their expertise and fine-tune their annual processes to increase delivery and volume of innovations delivered for the benefit of the European economy and citizens in general.

Climate-KIC's 2014-2016 Strategy

In order to retain the excellence of its activities, in 2014-2016, Climate-KIC aims to create a systematic approach to external evaluation to manage and increase performance. The layers of quality assurance are developed as the activity portfolio of Climate-KIC takes off focusing on different levels with different frequency.

Layers of evaluation		
Level of evaluation	Possible needs	Frequency
Pillar	Entire portfolio of activities	Once every three years
Pillar	Specific activities (e.g. CMA)	Deal with one aspect every year, rolling plan
Platform	Thematic advice, strategy	Every two years, depending on the Platform
Entire KIC	Entire portfolio of activities	Once every five years
Entire KIC	Specific issues: governance/management, community development, sustainability	Deal with one aspect every year, rolling plan

Climate-KIC and the KIC concept itself are an experiment and therefore it is important for Climate-KIC to be able to draw lessons from the way the KIC progresses. Researching the effectiveness of Climate-KIC's innovation model(s) will clarify the strategic value of this vis-a-vis the EIT as well as the activity fields need (continuous) research into their effectiveness. Benchmarking against the other two KICs and against other initiatives globally will be an important part of this analysis.

EIT ICT Labs' 2014-2016 Strategy

In 2014-2016, EIT ICT Labs will continue to conduct its operations and internal quality mechanisms in four core processes summarised. The *Strategic Planning Process* guides the work of the entire KIC by developing and maintaining a long-term vision of the development of ICT and the role of EIT ICT Labs therein. The process makes use of the foresight available from the Innovation Radar catalyst. The tangible result of the process is the annually updated Strategic Innovation Agenda (SIA) of EIT ICT Labs.

The *Business Planning Process* translates the vision to the annual Business Plan through a Call for Activities scoped and guided by the SIA of EIT ICT Labs that collects the bottom-up ideas and interests of the EIT ICT Labs community and matches them with the top-down vision.
The *Activity Planning Process* turns the business plan to an executable plan by completing the necessary detail, such as activity-specific consortia, details of complementary funding, internal reporting, etc. Its tangible results are detailed Activity Plans per activity and Partner Grant Agreements summarising the responsibilities of each KIC Partner.

The *Activity Management and Reporting Process* tracks the implementation of the business plan through quarterly reporting and reviews, deliverable tracking and quality control, KPI tracking, and

frequent meetings at various levels (KIC / Action line / Activity). The tangible result of this process is the annual Cost and Performance Report and the related KPI reporting.

KIC InnoEnergy's 2014-2016 Strategy

In 2014-2016, key attributes will continue to qualify the business model and internal quality mechanisms supporting KIC InnoEnergy activities. All innovation projects, selected through an internal call for proposal, need to have at least an impact in decreasing energy costs, increasing the security (intrinsic operability, or autonomy in supply), and/or decreasing the greenhouse gas effects.

A comprehensive analysis of end product competitiveness, freedom to operate, market analysis (net present value - NPV), technology readiness and operational feasibility is conducted for all projects prior to a go-ahead decision. All projects need to define upfront their output (product or service) and include (as much as possible) all players of the value chain that will make the "design to sale" quick and cost efficient, in the already expressed continuous push-pull and continuous re-evaluation of the product competitiveness (functionality/cost).

The portfolio is managed under industry standards with all projects following a stage gate model in their implementation, with no less than three gates, where investment can be stopped if the objectives are not fulfilled. The sustainable business model is based on valorisation of intellectual property (patents, knowledge or copyright) that is implemented between KIC legal entity and the partners since 2011.
All KIC InnoEnergy PhD candidates have to work on innovation projects. The PhD schools are optimally linking their tracks to the portfolio of innovation projects. Moreover, a market analysis has already been included in all proposed learning modules supporting further developments and future commercialisation. The quality of the MSc programmes is currently been updated to comply with the requirements set by the EIT label.

THE EIT: COMPETITIVE MECHANISM

In 2013, the EIT Governing Board operationalised the principles laid down in the 2009 KICs Call for Proposals in relation to the allocation of the EIT annual contribution split into support funding and competitive funding. During 2014 to 2016, the EIT competitive review mechanisms will continue and will be based on the assessment of the KIC past performance, the examination of the KICs' business plans, as well as the KIC annual hearings with the EIT Governing Board.

In the period of 2014 to 2016, the EIT will gradually increase the share dedicated to competitive funding as part of the annual grant allocation to the current three KICs. Simultaneously, the weights of the different criteria will evolve with the criteria on the level of scoring on KPIs taking a predominant importance directly followed by the assessment of the proposed business plans and completion of the past business plan implementation. This is to support the transition towards a results based approach.

2.3.2 RESULT-ORIENTED MONITORING: THE EIT'S PERFORMANCE MEASUREMENT SYSTEM

As part of its strategy and with a view to ensure the achievement of its mission and objectives, the EIT will assess its own as well as the KICs' performance by means of a balanced Performance Measurement System (PMS). The fundamentals of this system are to showcase over time the EIT's and KICs' impacts and to support the full deployment of a result oriented culture across the Institute. Starting in 2012, the EIT and its KICs have constantly been monitoring their performance against the objectives and defined indicators set out in the KIC business plans and towards the achievement of the EIT long-term strategy.

The EIT's Performance Measurement System (PMS) is designed to encompass four levels of monitoring. Firstly, the KICs monitor the impact of their activities through individual KIC key performance indicators (KPIs) included in their annual business plans. Secondly, the EIT scoreboard comprises indicators reflecting the EIT strategic objectives which are jointly delivered by all KICs. Thirdly, the EIT has its own set of specific indicators that capture its performance as an Institute aiming to achieve impact beyond the KIC activities. The fourth level will contain indicators to measure the EIT's contribution to the objectives of Horizon 2020, the Innovation Union and other relevant EU programmes and policies (for EIT Performance Measurement System indicators cf. Annex VII).

The PMS will evolve with the EIT's and KICs' lifecycles. From 2014 onwards, the system will include indicators to monitor the EIT's and the KICs' societal impact and the contribution to the *Horizon 2020* objectives. The PMS will be subject to an annual capacity assessment. For the period of 2014 to 2016, the second level indicators will be reviewed once or twice for the first wave of KICs to manage the transition from output to impact indicators. With the growing maturity of the first three KICs in harnessing the delivery capacity in terms of economic and social terms, the EIT Performance Measurement System will accompany this evolution by capturing information demonstrating the added-value created. This will form the core input to the fourth level indicators.

At the same time, the PMS will be further automatised to streamline the collection, verification and aggregation of data and the supporting documents allowing for in depth analysis of the value created, the rate of creation, the geographical distribution, the shape of the innovation value chain created by the KICs over the years, etc. This will reinforce the EIT's impact through *a posteriori* analysis of the reasons and conditions having led to successful results in terms of value creation across Europe.

Over the period of 2014 to2016, the EIT will capitalise on its experience with the first three KICs. A multi-annual strategy will be developed to guide the second wave of KICs on a learning path from delivering activity and output KPIs to impact KPIs. The maturity of the PMS will allow for the consistent collection of data over the years to build the data set needed for detailed monitoring and analysis of the progress over time. The possibility to replicate the approach used for the first wave of KICs to the second will allow the EIT to improve its processes and share this as good practice, thus promoting outreach.

The EIT will also update its set of internal KPIs (3rd level) to continue capturing data through the most relevant indicators on its evolution path, recognising the gradually improving added-value of its actions and the subsequent changing nature of its challenges. Complementing quantitative performance measuring, the EIT will introduce a programme for monitoring implementation of KIC

activities at co-location centres and by KIC partners through on-site visits and a structure dialogue with KIC directors responsible for education, entrepreneurship and innovation.

2.3.3 DRIVING ACCOUNTABILITY AND FLEXIBILITY

RISK ASSURANCE AND CONTINUOUS MONITORING

In this second phase of the long-term partnership established with the KICs, and given the scaling-up in operations, budget and refinement of the KICs partnerships, the EIT will strengthen the continuous monitoring of KIC activities and the assessment of initial results and outputs achieved. Building upon the EIT's initial guidelines regarding the content and structure of the KICs' annual business plans as well as the annual cost and performance reports, for the 2014 to 2016period, the EIT will envisage the following:

- a significant strengthening of risk management (providing a consolidated risk management cycle both for the annual and for the long-term seven year cycle), as well as
- a significant strengthening of the continuous monitoring of KIC and cross-KIC activities in the areas of education, entrepreneurship and innovation.

The consolidated strategy for risk management will integrate the components of *ex-ante* assurance (guidance, technical and financial *ad interim* evaluations) and *ex-post* audits on annual grants cycles. The continuous monitoring of activities will integrate the components of assessment of results and outputs on an annual basis compared with the provisions set out in the seven-year Framework Partnership Agreement, the evaluation of annual business plans and reporting analyses, on-site visits to monitor activities at KIC co-location centres and KIC partners, the *ad-interim* technical and content evaluation of activities and outputs, and the expert contribution to *ex-post* technical and financial audits.

All findings from the above assessments will be collected, analysed and fed into an integrated document and knowledge management system which will provide a solid basis for the management of information with regards to grant management, risk assurance and results based indicators (KPIs). Any tangible outcome (process, tools, etc.) with a potential for reusability and spill-over effects to other sectors will be systematically screened and if the assessment is conclusive made public for the benefits of the wider public. Such codified knowledge and good practices emerging from the KICs will be made available via a set of appropriate tools including (e.g.) a knowledge sharing platform (cf. also Chapter 3.1).

SIMPLIFICATION AGENDA AND DEROGATIONS

Striking a balance between accountability and flexibility is key to the EIT, particularly with regards to its unique partnership with its KICs. Monitoring and simplification are dynamic processes embedded in the EIT's strategy and operations – as set out in the proposed Strategic Innovation Agenda. To this end, in the years of 2014 to 2016, the EIT will seek to adapt, improve and streamline its monitoring, reporting and funding processes and constantly strives for approaches that can help the KICs to cope with emerging needs and to foster their impact. The overall objective of the EIT's simplification strategy is to:

- reduce unnecessary administrative burden to the KICs as regards planning, implementation and reporting requirements by exploiting current and future derogations;

- establish predictability, timely decisions, coherence and clarity as regards requirements;
- align and optimise EIT-KIC business processes;
- reach a result-oriented approach.

In order to explore the possibility of using a "Single Lump Sum" approach, the following will be implemented:

- "Single Lump Sum" pilot guidance for selected KICs, ,
- 2014 pilot exercise with a selected KIC to implement a KIC activity or part of KIC activities applying (a) selected alternative financial mechanism(s),
- Evaluation and adaptation of the concept on the basis of the lessons learnt from the pilot exercise.

3. ENHANCING THE EIT'S IMPACT BEYOND THE KICS: THE ROLE AS AN INSTITUTE

The EIT will consolidate its role as an institute that acts as a 'networked hotspot' for gathering expertise and experience of knowledge triangle policies and practices during the course of 2014 to 2016. An important role will be codifying and disseminating good practices and lessons learnt across Europe and beyond, notably based on the expertise and experience of its KICs, in line with its objective of attracting and nurturing top talent as well as to foster the next generation of innovation hotspots where such talent can thrive.

3.1 FOSTERING THE EIT COMMUNITY AS A KNOWLEDGE POOL

During the period of 2014 to 2016, the EIT will consolidate its knowledge pool initiative thanks to the lessons learnt from the EIT community as a whole. This includes extensive co-operation with KICs in thematic areas as well as ensuring a clear link with the state of the art activities and benchmarking of stakeholders in the areas of education, entrepreneurship and innovation (both in Europe and world-wide).

Part of this will be done by implementing the strategic actions set out in the Strategic Innovation Agenda (SIA), which include initiatives such as the EIT label for educational programmes, an EIT alumni community, and the EIT fellowship scheme. These will be defined and implemented in the period of 2014 to 2016, after an initial pilot phase to be co-ordinated together with the KICs.

As a complement to this, and building on the experience gathered by a more advanced education agenda, the EIT will put a strong focus in the 2014 to 2016 period on ensuring that it becomes a reference in entrepreneurship education and education for innovation and creativity. For this, the EIT will explore with the KICs formulas to identify examples of good practice within the KICs on these two fields of higher education, and will create a forum for exchange of practices between identified trainers and teachers.

As for the entrepreneurship and innovation areas, the EIT will analyse the main characteristics of each CLC as well as the aspects that make them world-wide, networked hotspots in these areas. The first pilot initiative to implement this action will be a workshop of CLC Directors (at the latest in 2014)

where each CLC will have the possibility to explain to other CLCs their main areas of activities and expertise, in order to foster further networking and collaboration opportunities between CLCs from different KICs. The EIT's mission during the 2014-2016 will be to ensure liaison of CLCs with other hotspots in entrepreneurship and innovation in Europe that are relevant to their areas of action, as well as to link them with world-wide hotspots in these areas creating a global EIT awareness among main stakeholders.

3.1.1 INFORMATION SHARING AND KNOWLEDGE MANAGEMENT

In line with its role as an Institute, the EIT will continue to foster exchange of good practice and "learning by doing" innovative models. It will seek continuous feedback to further refine its strategies through a structured dialogue with its stakeholders in order to generate positive spill-overs across the EU beyond the partners in current and future KICs as well as encouraging and nurturing exploitation of its learning by innovation policy makers and practitioners beyond its KICs. The further development and refinement of the EIT knowledge management strategy will be a key element in making codified and tacit knowledge learning available to new countries, sectors, and disciplines by means of a central data warehouse and knowledge management system. In this context, the unique EIT/KIC partnership is relevant covering governance, management and contractual relations.

Building on the 2013 creation of the web-based knowledge sharing infrastructure to support the operational collaboration of EIT and the KICs, in 2014, the EIT will consolidate this strategy scaling up the tools to support the most critical operational themes: management of the future KIC Call as well as the management and assurance of the grant cycle. The first objective is to secure processes through solid and accountable workflows with a view to improve performance.

During the period of 2015 to 2016, the EIT in close co-operation with the KICs will provide a fully functional uniformed platform facilitating knowledge interchange within the community while respecting the KICs' autonomy as regards the development of their knowledge and communications strategy. To prepare for the full functionality, the EIT will institute in 2014 a cross-KIC IT and Knowledge Management group to create a single web authentication portal and uniform cross-KIC knowledge coding and thus paving the way for generation of high added value outputs and dissemination to a wider stakeholder community.

3.1.2 THE EIT FELLOWSHIP SCHEME

In the years of 2014 to 2016, the EIT will develop, as established in the Strategic Innovation Agenda, an EIT Fellowship Scheme. Such a scheme will not only provide talented people not currently participating in the KICs with the opportunity to benefit from the innovation environments created within the co-location centres, but will also provide them with incentives to put the acquired knowledge and know-how into practice and disseminate it further, thus promoting the innovation capacity of areas and institutions beyond the KICs. Such value proposition is key for the EIT/KIC model with a view to 'resonate' beyond its activities with current and future KICs.

Starting in 2014, the EIT will design and establish, in close co-operation with the KICs, a fellowship scheme to be implemented through a pilot phase during 2015 and 2016 especially tailored firstly with and for the current KICs due to their relative maturity. The EIT Fellowship Scheme will be based on

structured mobility actions and have a clear thematic focus to capitalise on the strategic approach of KIC activities and the strong integration of the Knowledge Triangle characterising the EIT community.

This fellowship scheme will be aimed at different target groups, in particular, students, researchers, teaching staff and entrepreneurs at all career levels. The EIT Fellowship Scheme is foremost a people scheme aimed at attracting talent to the EIT and KICs environment as well as creating mutual benefits for both participants and the KICs as well as innovation policy makers. Furthermore, and in line with the EIT's mission, the EIT Fellowship Scheme will be a crucial part of the Institute's outreach strategy. Because of its focus on talent, this scheme will offer the possibility to share the expertise and lessons learnt within the EIT and its KICs across Europe, and, in particular, with emerging centres of excellence.

3.1.3 EIT LABELLED DEGREES

Following the revision of the EIT "Handbook for Planning, Labelling and Follow Up Reviewing", , the implementation of EIT labelled degrees will continue considering first experiences gained and lessons learnt during 2014 and 2015. These will be fed into the continuous improvement of the EIT Handbook in successive years. This EIT handbook will be revised in 2013 based upon the first year's implementation experience. The handbook will be consolidated as a unique brand for fostering entrepreneurship and innovation through education programmes.

Based on KIC experiences and thematic differences, the EIT and its KICs will explore the possibility of adapting the EIT label to modules or intensive activities embedded within full master or doctoral programmes. The EIT will seek to extend the label to other educational activities, and will complement the EIT label experience with the definition of an EIT brand on other activities not directly involving full master and PhD programmes or modules that form an integral part of them (e.g. to initiatives that proved successful such as the Climate-KIC *Journey*).

After the pilot implementation phase of the EIT label during 2012 and 2013, and after the revision of the EIT label handbook, on the basis of this experience, the 2014-2016 period will be devoted to the proof of concept, dissemination and outreach strategy of the EIT label.

The experience and impact of the EIT label will be strengthened by putting in place mechanisms during the academic year of 2013 to 2014 to have a revision of the experience of this label (which exemplified the experience and expertise of KICs) with other relevant initiatives world-wide on fostering education for entrepreneurship and innovation such as the ones published regularly by OECD and other international organisations. This revision will allow the EIT label to become a robust approach in this area while ensuring its added value in the education arena.

As regards the dissemination and outreach strategy of the EIT label, this will be launched in 2014 with a concrete strategy for promotion of the label and labelled degrees. This strategy will target different levels such as attraction of talented students to EIT labelled programmes, attracting institutional interest of academia and business in aligning with EIT labelled degrees' lessons learned, and ensuring that the experience serves as a valuable input for policy making at EU and national level (notably through the Bologna Follow-Up Group and the European quality assurance system).

3.1.4 EIT ALUMNI COMMUNITY

In order to foster and attract entrepreneurial talent and promote an entrepreneurial mind-set in Europe and beyond, the EIT will support the development of an EIT alumni community. This community will foster knowledge sharing, joint projects and ventures, mentoring and networking across the KICs and the EIT. The members of this community will students, having participated in EIT/KIC educational and training activities focused on entrepreneurship, innovation and creativity. To be effective and sustainable in the future, the alumni community will be driven by its members, assuming ownership and responsibility for the direction of the community, with the EIT (and KICs) playing a partner role.

The EIT will support alumni in the build-up of the community in its set-up phase, including a fit-for-purpose governance and management structure, the development of a vision, mission and well-defined goals as well as strategic and implementation plans, and the provision of a dedicated collaboration mechanism. The EIT will explore ways to provide intellectual and financial support for the short-term development of the community during 2014 and 2016 and may partially fund it over a longer period with the aim of encouraging the community to become self-sustainable in the long-run.

3.1.5 EIT AWARDS FOR ENTREPRENEURSHIP

The EIT Award for Entrepreneurship is designed to promote the risk-taking culture in the KICs by spotlighting and encouraging entrepreneurial ventures emerging from the KICs, helping and demonstrating how nominated ventures can develop in a fast, successful and sustainable way with the support of a high-quality mentorship scheme, and awarding one venture per KIC with the EIT's annual Award for Entrepreneurship.

Over the years of 2014 to 2016, it is envisaged to expand the EIT Award into an award system and to develop the event so as to inspire young, potential entrepreneurs and to showcase the EIT entrepreneurial top-talent to a wider audience (venture capital firms, business angels, political decision-makers etc.).

To this end, from 2015 onwards, the EIT will explore whether awards in different categories can be given. Examples include an award for the most entrepreneurial master thesis prepared by a student at one of the KIC partner universities, an award for an innovative MSc internship successfully completed by a student of one of the KIC partner universities, an award for an innovation stemming from PhD research which has a high socio-economic potential, and/or an award for an entrepreneurial undertaking developed by an alumna/us of a KIC within three years of graduation.

3.2 FOSTERING KNOWLEDGE EXCHANGE THROUGH COMMUNICATIONS AND DISSEMINATION

In order to continuously increase the visibility and overall impact of the EIT and its KICs' activities across the European Union and globally, the Institute will scale up its ambition by putting an even stronger emphasis and resources on its communications and dissemination activities. These actions will continue to focus on the three priorities outlined in the 2013-2015 Triennial Work Programme, namely strengthening the EIT brand, increasing the EIT stakeholder community's understanding of

EIT and KIC activities as well as ensuring the wide dissemination of EIT good practice, results and impact.

3.2.1 STRENGTHENING THE EIT BRAND

The EIT and its brand must gain an increased level of recognition both within the European Union and globally in order for the Institute to be able to fulfil its mission of becoming a brand of excellence. Enhancing EIT brand awareness is already an important focus for the EIT and its current three KICs but as the Institute readies itself for the designation of new KICs, efforts in this area must be stepped up.

In strengthening the EIT brand, focus will shift from increasing brand awareness towards building brand understanding and recognition among EIT stakeholders across the European innovation landscape. Through its brand management activities, the EIT will also continue to work with the current three KICs to ensure brand alignment and coherence and will provide support to the newly designated KICs in their first steps towards the building of their respective brands that must remain closely aligned with the 'parent' brand.

3.2.2 CONSOLIDATING THE EIT COMMUNICATIONS PORTFOLIO

The EIT must actively share learnings, good practice and results that emerge from its activities with stakeholders across the European Union. The EIT will deploy and fully utilise a wide range of communications and dissemination tools available in its arsenal particularly focusing on contemporary and innovative tools that will not only allow the Institute to actively share information with its stakeholder community but also exchange information with them. The refreshed EIT website (to be launched at the beginning of 2014) will allow the EIT stakeholder community to more actively interact with the Institute online through a variety of means such as blogs, live chats and podcasts.

To support its efforts to increase brand recognition and understanding, the EIT will focus on actively engaging with the media. Media relations will also enable the EIT to reach a wide range of stakeholders and citizens that may not be directly aware of its and the KICs' activities. This will build upon activities launched in 2013 and the need to increase awareness in the build-up to the launch of a second call for KICs. The EIT will also put emphasis on producing publications, reports and information material focusing on lessons learnt and good practice that emerge from its and the KICs' wide range of activities.

In addition to its own communication and dissemination activities and joint collaboration with the existing three KICs, each of the current KICs will also consolidate its own activities in this field as outlined below.

Climate-KIC will capitalise on the changes in the communications landscape. The trends are towards using social channels and networks, because that is a primary way that today's students and young entrepreneurs communicate. Therefore, Climate-KIC will embrace digital communications by starting, leading and joining conversations to create real engagement with its stakeholders. In addition, a highly potent means of knowledge dissemination is via people. Climate-KIC students come from across the world and Climate-KIC Pioneers from across Europe. The KIC will continue to regard them

as global ambassadors of Climate-KIC, retaining their links with Climate-KIC via the Climate-KIC Alumni Association.

The ***EIT ICT Labs'*** marketing and communications strategy focuses on building a consistent and impactful "face to the customer" by establishing and developing the EIT ICT Labs brand. This covers the entire range of interactions with external and internal stakeholders: innovation ecosystem partners, industry clusters, relevant innovation communities in European and national level, non-European contact points, user communities, decision makers as well as the general public. The means cover the full range from electronic communications to KIC-branded event formats. Part of this strategy also covers presence and visibility in key events and venues, such as the KIC's participation at the influential CeBIT conference and the Mobile World Congress.

KIC InnoEnergy's communication strategy is focused on a full set of target groups and corresponding objectives which require different contents and channels. The KIC will continue to implement comprehensive dissemination measures to raise awareness and to enable the attainment of the KIC's objectives and impacts. The eight specific stakeholder groups targeted are: students; entrepreneurs; industry (comprising both large companies and SMEs); European, national and regional authorities or agencies; KIC partner organisations and the KIC team; public and private investors; and the innovation and energy communities.

4. ENHANCING STAKEHOLDER ENGAGEMENT

4.1 RELATIONS WITH INSTITUTIONAL AND KNOWLEDGE TRIANGLE STAKEHOLDERS

During the period of 2014 to 2016, the EIT will enhance its engagement with stakeholders and follow a more focused, service and impact oriented approach. The EIT's strategic objectives in working as an Institute benefiting Europe and its citizens overall will be better achieved through a systematic, coherent and integrated approach that involves all concerned stakeholders and decision makers, and is based on dialogue, partnership and empowerment. In doing so, EIT will aim at approaching stakeholders groups with clear goals and value propositions in mind.

Building upon established networks to date, from 2014 onwards, EIT operations will be designed as to be implemented based on input from and in co-operation with relevant stakeholder(s) providing added value. The EIT Headquarters will partner with relevant Member State bodies and regional authorities, business associations as well as with research and academic umbrella organisations in order to achieve the best possible results at EU, national, regional and/or local level.

Engagement with both institutional decision-makers involved in shaping as well as in implementing innovation policies (including the European Parliament and the Council as well as the European Commission) and Knowledge Triangle stakeholders (from academia, research and business communities) will be established in a more systematic, structured, focused and tailor-made manner.
Such an enhanced engagement will ensure stakeholder involvement in the whole EIT programming cycle while clearly identifying priorities regarding stakeholder categories and means of engagement.

An inclusive multi-stakeholder approach will be pursued with determination in all strategic considerations and operations indicated in the rolling Triennial Work Programmes and Annual Work Programmes.

A strategy for a more systematic, refined service-oriented approach towards stakeholder relations will outline the objectives, mutual interest, proposed activities, and potential formats of such an engagement. The strategy will build on an initial stakeholder mapping finalised in 2013. As part of its stakeholder strategy, the EIT will propose in early 2014 options for structured and targeted interactions with all EIT stakeholders. It will outline a variety of scenarios including options regarding set up, configuration and formats with a view to meet the expectations of the following stakeholder two categories of groups:

- Institutional, EU, national and regional/ local (innovation policy) decision-makers
- Knowledge Triangle networks from research, education, and business

As the specific needs of and demands from the aforementioned stakeholder groups as well as the motivations to engage with EIT and potential service offerings therein will differ substantially, an approach including different formats and tools of engagement will be proposed in response.
The strategies for the two categories of stakeholders groups above will take into account the key performance indicators (KPIs) on positioning as set out in the EIT's Performance Measurement System (PMS) allowing for an assessment of the EIT's engagement with stakeholders.

INSTITUTIONAL STAKEHOLDERS

Continued support from institutional stakeholders is crucial as regards the EIT's future as an EU body and role model for enhancing both the EU's and the Member States' innovation capacity, to address today's societal challenges and to ensure global competitiveness. The EIT will consider establishing an informal ***network of EU Member States*** and the European Economic Area (EEA) contacts with a view to get more detailed and regular Member State input to and buy-in on EIT activities, as well as to secure continued political and financial support for the EIT. Such an informal network of Member State representatives should serve as a standing point of reference for the EIT in relations to individual Member States to ensure EIT activities are of relevance to and support them.

Throughout the years of 2014 to 2016, and following up on initial visits by the ***European Parliament's*** Industry, Research and Energy (ITRE) Committee and Internal Market and Consumer Protection (IMCO) Committee, the EIT will continue to welcome Members of the European Parliament (MEP) to its seat in Budapest (Hungary). The EIT will continue the collaboration with the "Friends of the EIT" network led by MEP Maria da Graça Carvalho and comprising MEPs from different political affiliations and EP committees with a view to facilitate an open exchange on the EIT's future.

Moreover, the dialogue with institutional stakeholders will be complemented through annual meetings organised by the European Commission between the EIT, its KICs and relevant Commission services. The EIT will continue to actively support the exchange with other EU initiatives in order to foster synergies and complementarities within the Innovation Union and fellow Horizon 2020 initiatives bottom up from the EIT/KIC level.

Various stakeholders having an interest in the EIT such as Member States, regional authorities, and Knowledge Triangle stakeholders from the business, scientific, and academic community should be

able to present ideas and to contribute to strategic documents such as the rolling Triennial Work Programme and its implementation.

KNOWLEDGE TRIANGLE NETWORKS

In order to increase the EIT's impact, structured dialogue mechanisms will be set up with stakeholders from the Knowledge Triangle from 2014 onwards catering for inclusion in all phases of the programming cycle. Not only the content development but also the implementation of the EIT's Triennial Work Programmes will benefit from continuous dialogue with stakeholders amplifying the EIT's impact and maximising alignment

In 2014, the EIT will consider the development of a reflection format bringing together leading experts representing the relevant stakeholder groups, multiplier organisations and umbrella networks from the business, research and academia community. Such a group should support the EIT as a sounding board that provides advice on innovation in general and matters related to the Knowledge Triangle and its integration in particular. The Knowledge Triangle representatives should serve as a constantly open communication link between EIT and the rest of the stakeholder community.

The role of the group, its mandate and objectives to be achieved will be clearly defined. Membership should be balanced ensuring equal representation of the three sides of the triangle (namely academia, research and business community). Decision on the composition of the group would be based on a "Call for Expression of Interest" for membership and appointment would follow a thorough evaluation of the applications received based on a set of pre-defined criteria including specific areas of expertise.

4.2 THE EIT STAKEHOLDER FORUM

Complementing the above outlined targeted formats for the two distinct stakeholder categories (i.e. institutional and Knowledge Triangle stakeholders), a new platform for interaction, the *EIT Stakeholder Forum*, will be introduced in 2014 as set out in the proposed Strategic Innovation Agenda (SIA).

The annual *EIT Stakeholder Forum* will be an annual event bringing together representatives from the wider Knowledge Triangle stakeholder community as well as representatives from the EU institutions and national, regional, and local interest groups. The objective is to get more detailed and regular input to and guidance on EIT activities, as well as to secure continued support for the EIT. The Forum will be dedicated to cross-cutting EIT issues addressed by combining in-person and interactive formats, transforming event attendees into active participants, and thus maximising impact beyond the EIT's operations through its KICs.

In addition, in the years 2014 to 2016, the EIT will further refine its "tools" for stakeholder engagement. By means of such a systematic and target group specific approach, the EIT will further enhance its stakeholder engagement to become more refined, structured and targeted with a view to establishing itself as a dynamic platform for knowledge exchange, mutual learning, and identification of good practices in line with the ambition to strengthen its role of an "institute".

4.3 THE EIT ROUNDTABLE OF ENTREPRENEURS

Based on the experience gained at the second EIT Roundtable of Entrepreneurs held in 2013 with a focus on the role and contribution of Business Angels and Venture Capital Firms to innovation , in 2014-2016, the EIT will further develop and fine-tune this initiative into an instrument which contributes to a high profile of the EIT confirming the thought-leadership in its domain, which acts as an important stepping stone in building a strong pan-European network of entrepreneurs committed to the EIT and its objectives, and at the same time addresses in a systematic manner issues which are important for KICs to develop beyond the support directly provided by EIT. In the past three years first steps have been made to develop a mentoring scheme. In 2014 to 2016, the present set-up will be developed into a holistic scheme ranging from basic services provided by the KICs to a high-level package for the high-potentials, the most promising talents and emerging leaders for managing challenges while illuminating pathways for long-term success.

4.4 THE EIT FOUNDATION

The EIT Foundation (EITF) created with the objective of supporting and advancing the EIT's mission as a philanthropic organisation aims at attracting and channelling funding for actions complementing the activities of the EIT and its KICs. In the years of 2014 to 2016, it will focus on the promotion of:

- Entrepreneurial education and bridging the gap between academia and business. Actions in this area will instil a focus on innovation in traditional education and in professional training.
- The creation, through specific mentoring schemes, of a new generation with an entrepreneurial mind-set ready to drive the development of sustainable innovation.
- Events to develop an international network of talented professionals engaged in education, research, innovation and business development.

The EITF work programme will continue to be implemented via three Working Groups (WGs) which will continue, consolidate and further develop their activities as started in 2012, and closely co-ordinated with the EIT.

4.5 THIRD COUNTRIES AND INTERNATIONAL ORGANISATIONS

During the course of 2014 to 2016 the EIT will increase its ambition in striving to create synergies beyond Europe, to leverage its efforts on, and to contribute to the European Union's and the Member States' international engagement to continuously enhance innovation capacity on the global scene. The integration into *Horizon 2020* will offer new opportunities for synergies and complementarities as regards the "EU International Strategy for Research and Innovation"[5] and initiatives such as "Destination Europe".

As of 2014 and based on the EIT's first exploratory country reports on China, India, Brazil and the USA, the EIT will further develop a global outreach strategy in close consultation with its KICs and

5 European Commission Communication on 'Enhancing and focusing EU international cooperation in research and innovation: a strategic approach' (COM(2012) 497).

continue to support their KIC-level activities with a view to attracting talent, be it through partner organisations, researchers and students from all over the world – including encouraging their mobility. Moreover, in the years of 2014 to 2016, the EIT will participate in targeted events in prioritised countries and engage with selected International Organisations with support from relevant European Commission services, thus making full use of the EU's global network of delegations as a door opener for future EIT and KIC-driven activities in Third Countries (i.e. non-EU/ EFTA countries).

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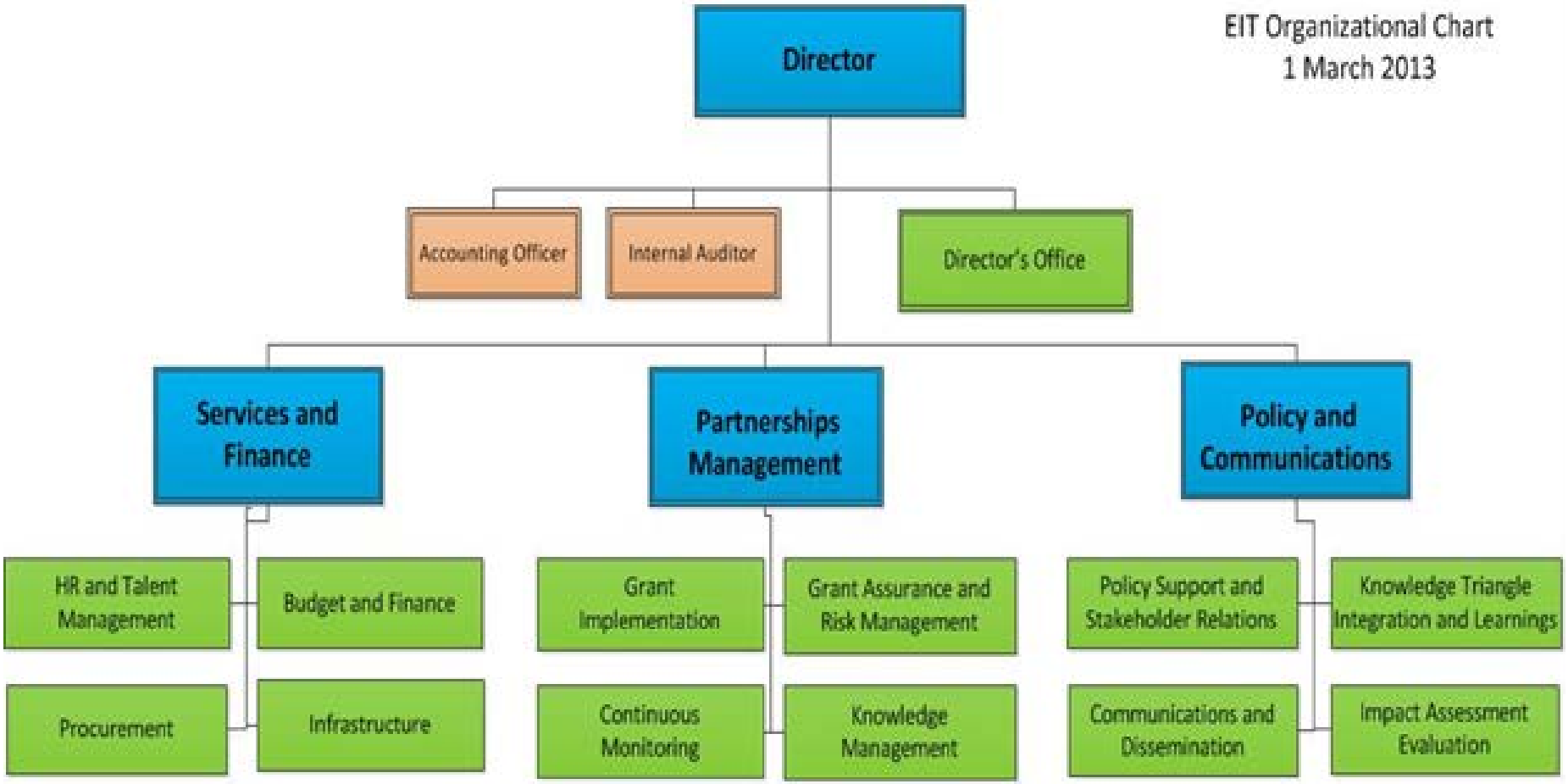
ANNEX I: EIT Estimated Budget 2014-2016

EUR million in current prices

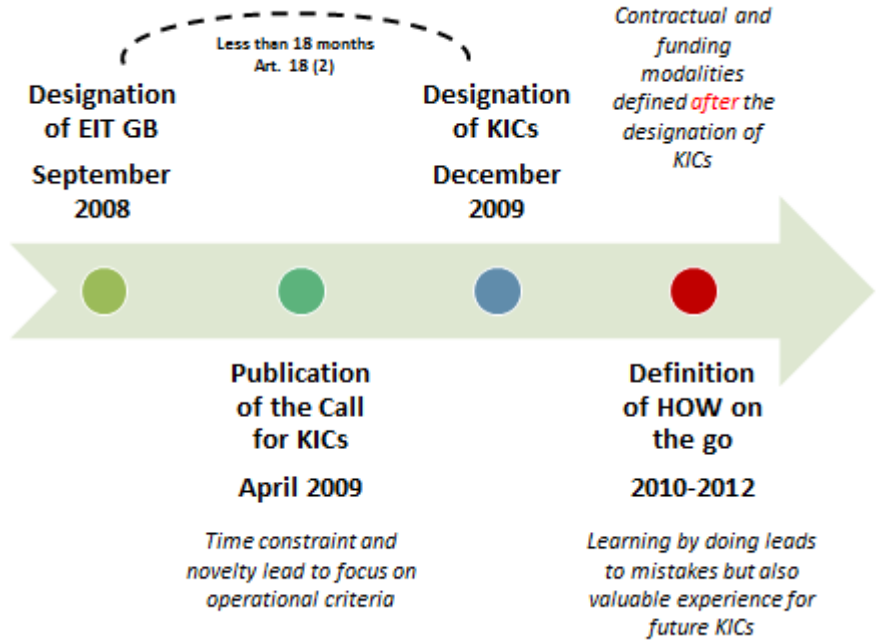
		2014	%	2015	%	2016	%
Title 1: Staff Expenditure	Commitments	5.837	2.1%	6.386	1.9%	7.949	2.0%
	Payments	5.837		6.386		7.949	
Title 2: Infrastructure and Operating Expenditure	Commitments	1.592	0.6%	1.732	0.5%	1.987	0.5%
	Payments	1.592		1.732		1.987	
Title 3: Operational Expenditure	Commitments	267.498	97.3%	324.047	97.6%	389.375	97.5%
	Payments	232.723		281.921		338.756	
of which KICs grants	*Commitments*	*256.890*		*307.810*		*367.300*	
TOTAL	**Commitments**	**274.927**	100	**332.165**	100	**399.311**	100
	Payments	**240.152**		**290.039**		**348.692**	

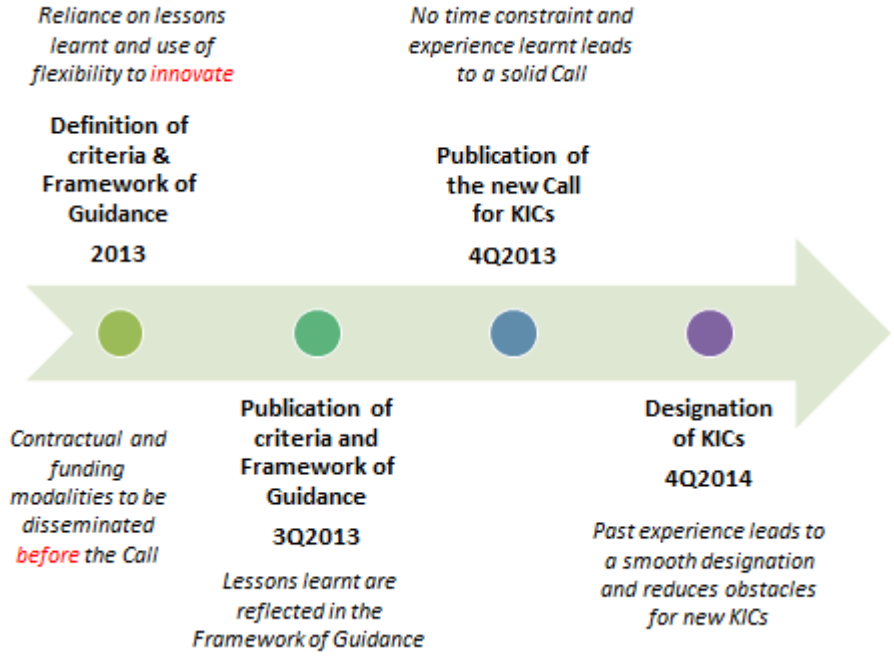
Figures are based on the European Commission's proposal of 30/11/2011 (COM(2011)817).

ANNEX II: EIT Headquarter Organisational Chart



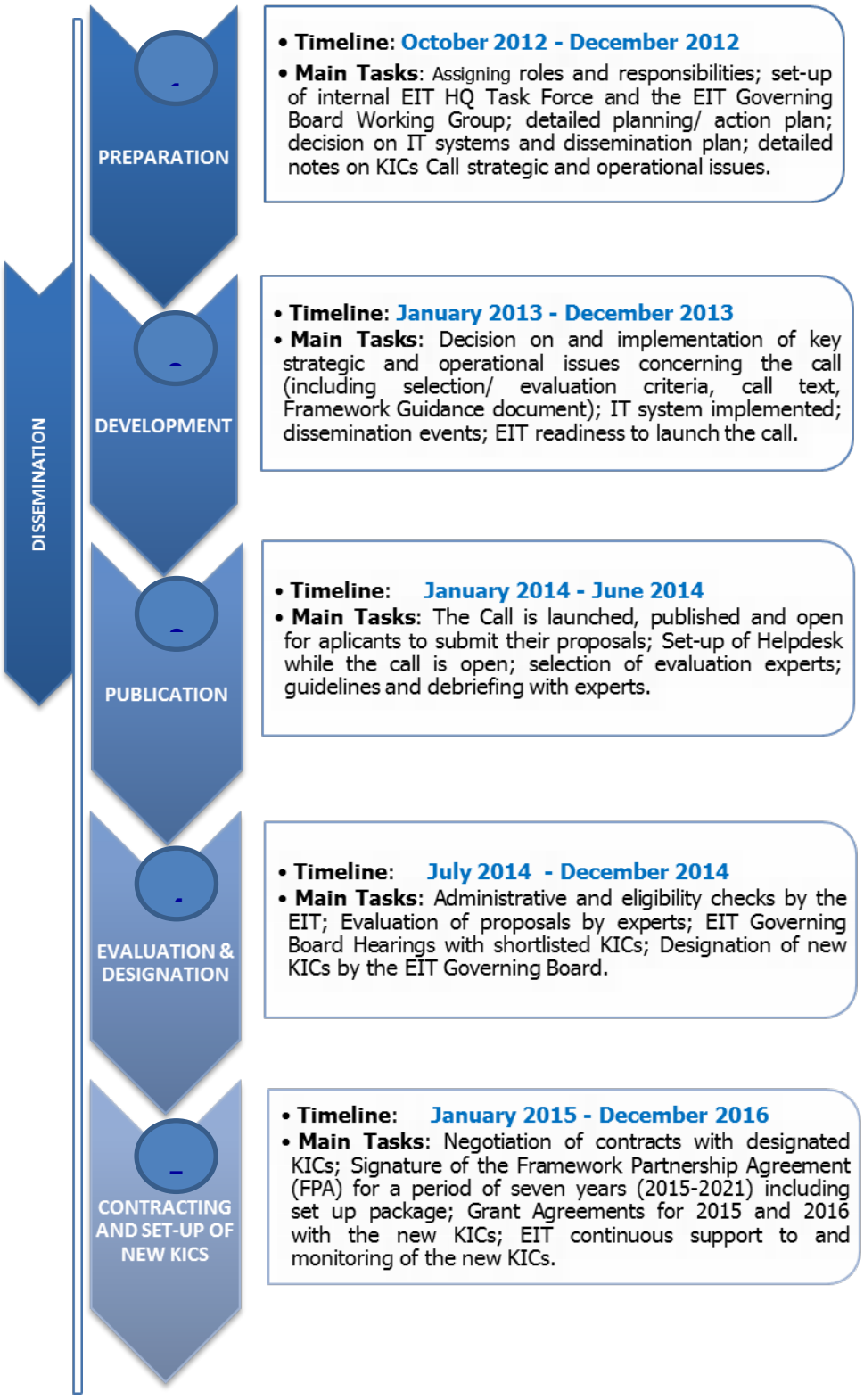
ANNEX III: EIT-KIC in Perspective: First and Future KICs





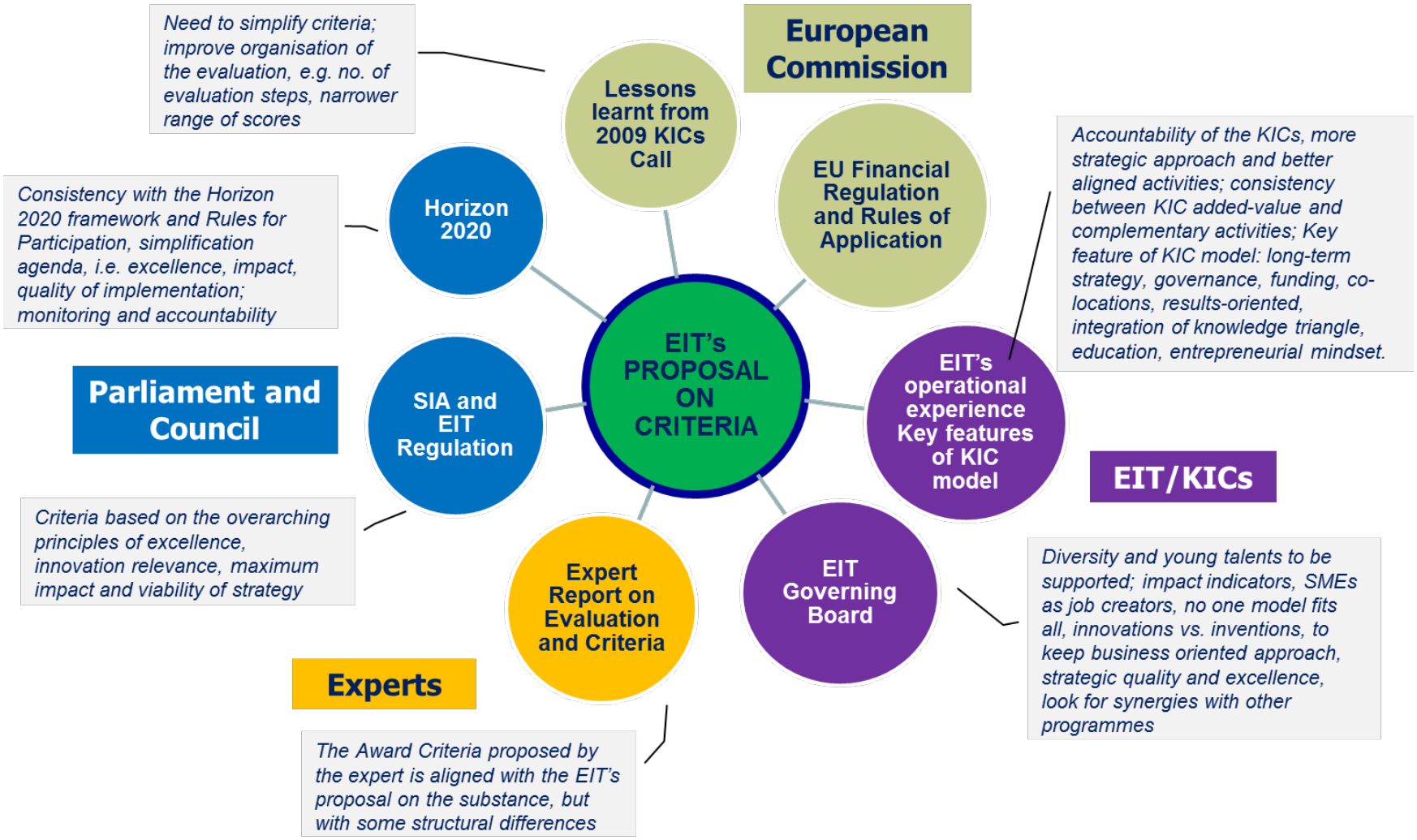
ANNEX IV: Indicative Roadmap 2014-2015 for the EIT's Call for KICs*

Indicative Roadmap, Main Phases and Timing Leading to the Designation of new KICs



* Subject to decision reached between the European Parliament and Council in the on-going ordinary legislative procedure [2011/0387(COD)]

ANNEX V: Building Blocks Underlying the Criteria for Selecting New KICs



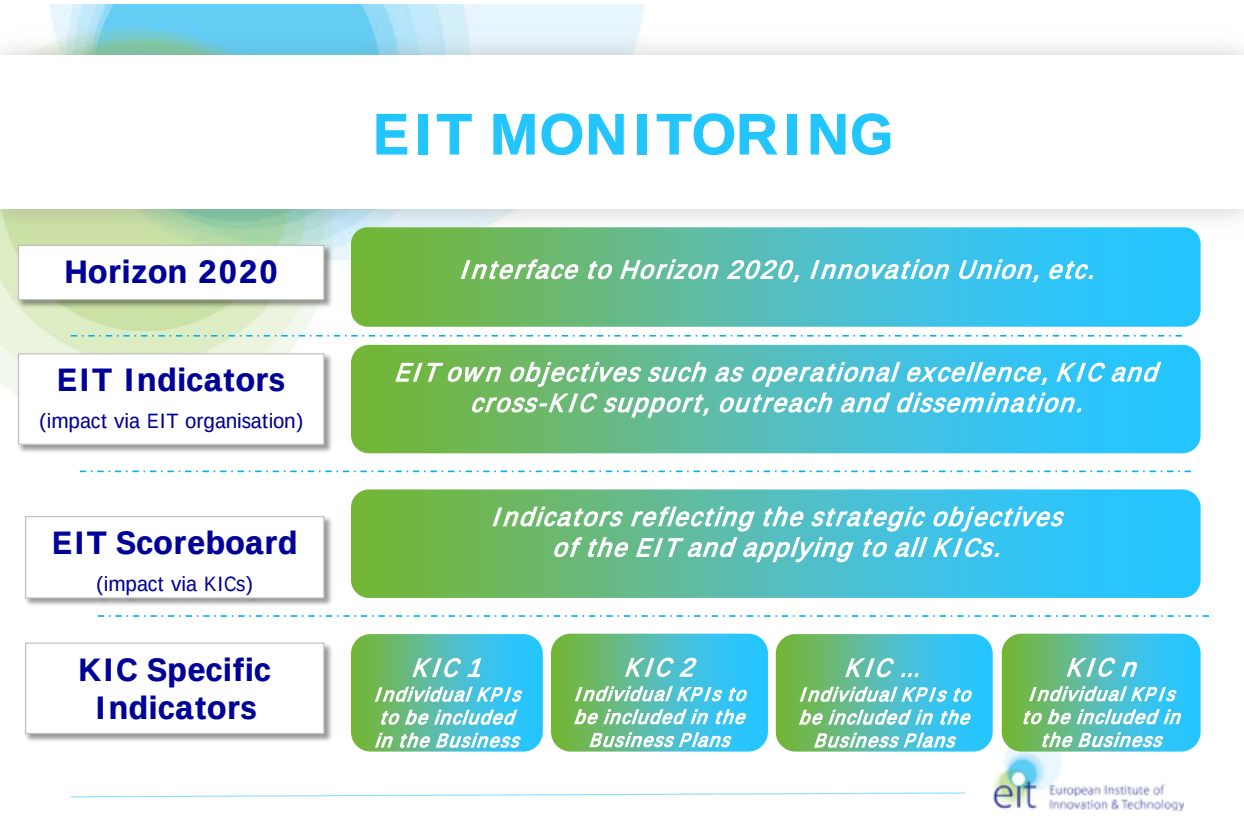
ANNEX VI: Indicative Roadmap for the Evaluation of KIC Proposals Received

Based on the assumption that the negotiations on the SIA and the amended EIT regulation as well as the next Multi-Annual Financial Framework 2014-2020 will be concluded before the end of 2013, and thus the future KICs Call can be launched at the beginning of 2014, the tentative timeline on the evaluation process is as follows:

Indicative roadmap for the evaluation of KIC proposals received:

TIME	ACTIVITY
Jan 2014	The future KICs Call is launched. The call will remain open for at least six months. ***Call Info Days*** take place at the seat of the EIT in Budapest/Hungary and in Brussels/Belgium.
Jan-Mar 2014	The EIT selects experts.
Jan-Jun 2014	The EIT manages a ***Helpdesk*** providing clarifications to proposers on process-related issues. Proposers submit their proposals through a dedicated electronic submission system.
Jun 2014	The future KICs Call is closed (at the earliest six months after the opening of the call).
Jun-Aug 2014	The EIT Director appoints the experts (including a reserve list); contracts are signed with the experts.
Sep 2014	Appointed experts from each thematic area are invited for briefing sessions to the EIT Headquarters in Budapest/Hungary.
Oct 2014	The experts assess proposals remotely and submit their individual assessment reports through a dedicated electronic submission system.
Nov 2014	As a result of the consensus meetings with experts from each thematic area, an evaluation summary report with the scores and comments is prepared for each proposal. The final ranking of proposals per theme is submitted to the EIT Governing Board for discussion and decision.
Dec 2014	Preparatory session with EIT Governing Board members on the hearings with shortlisted proposals. The EIT Governing Board holds hearings with the proposers with the highest scores from each theme. The EIT Governing Board designates one KIC from each theme and establishes a reserve list. The designated (as well as the non-designated) KICs are informed by the EIT on the outcomes of the evaluation process.
2015	The designated KICs are invited to sign a Framework Partnership Agreement (FPA) including a set up support package for 2015.

ANNEX VII: The EIT's Performance Monitoring System and 'Core' Key Performance Indicators (KPIs)



'Core' Key Performance Indicators (KPIs) for Enabling Innovation / Value Creation

- Attractiveness of educational programmes
- Number of new graduates
- Number of business ideas incubated
- Number of start-ups created
- Knowledge Transfer/ Adoption
- New or improved products/services/processes launched into the market

ANNEX VIII: The Current Three KICs' Strategic Planning 2014-2016

- **Climate-KIC**

  "EIT Triennial Work Programme 2014-2016 – Climate-KIC Contribution"

- **EIT ICT Labs**

  "EIT ICT Labs Contribution for EIT's Triennial Work Programme (TWP) 2014-2016"

- **KIC InnoEnergy**

  "KIC InnoEnergy - Contribution to EIT TWP 2014-2016"

EIT Triennial work programme 2014-2016

Climate-KIC contribution

Climate-KIC

The impacts of ongoing climate change have become increasingly conspicuous in 2012, for example the record loss of Arctic sea ice and frequent extreme weather conditions around the world (severe drought in the US). Climate change mitigation and adaptation require a global economic and societal transformation comparable to the industrial revolution. Existing markets must be radically altered and new ones created across a variety of sectors.

Climate KIC's mission is to significantly stimulate and accelerate the innovation required for this transformation. Our vision for accomplishing this is to create a strong community of world-class climate innovators from business, academia and policy fields. Our students and young entrepreneurs integrate into this community and participate actively.

The Climate-KIC ecosystem is defined by our community and the research, innovation, education and business activities of the partners. This work carried out in this ecosystem can be divided either along the lines of Climate-KIC value added and complementary activities; or along sources of co-funding: EIT or other sources. Climate-KIC in order to become successful in providing the people, products and leadership to address the challenge of global climate change needs coherency in this ecosystem and to maintain sustainability.

Horizon 2020

Synergies (with other EU initiatives)

As integral part of Horizon 2020 Climate-KIC aims to work together closely with similar initiatives. We are exploring the cooperation on Climate-KIC level with the joint programming initiatives (i.e. membership on the JPI Board), the partnerships of the Innovation Union. Interactions with other European programmes, such as the Environment Action Programme, the Eco-innovation Action Plan, and the regional Cohesion Policy programmes supporting green growth for SMEs will bring in diverse perspectives to our work and create strong synergies within our community. The RIC takes the lead in the collaboration with DG Enterprise and DG Regio. Climate-KIC aims to strengthen the cooperation with DG Clima, and build on the established links with JRC – Ispra in key focussed areas e.g. GHG measurement.

Complementarity (contribution to overall policy objectives)

Climate change mitigation and adaptation require a global economic and societal transformation comparable to the industrial revolution. Existing markets must be radically altered and new ones created across a variety of sectors. Climate KIC's mission is to significantly accelerate and stimulate the innovation required for this transformation, and ensure that Europe benefits from it through technologies, policies, companies and jobs.

Horizon 2020 stimulates a wide range of new collaboration possibilities for Climate-KIC. On partner level we are building on existing relationships, such as Climate-KIC partners work together on FP7 projects to expand the upstream research part of our ecosystem portfolio and to set the stage for future downstream innovations. On national level research agencies already co-fund innovation projects (in France, Hungary, etc.) involving Climate-KIC partners.

Overall Strategic Outlook 2014-2016

Climate-KIC's vision is to create opportunities for innovators to address climate change and shape the world's next economy. Addressing the related societal challenges requires drastic transitions in the way we produce and live, which in return require citizens and companies to become agents of change. They cannot be addressed only by technology-push innovations but very importantly need also pull measures that require the involvement of policy and law makers, economists and finance experts.

Creating innovative products or services is therefore only half our task. To be effective, we wish to trigger and implement transitions and this is the reason of the involvement in Climate-KIC of cities, regions and policy makers.

Indication of Key Activities and Expected Impact

Key highlights

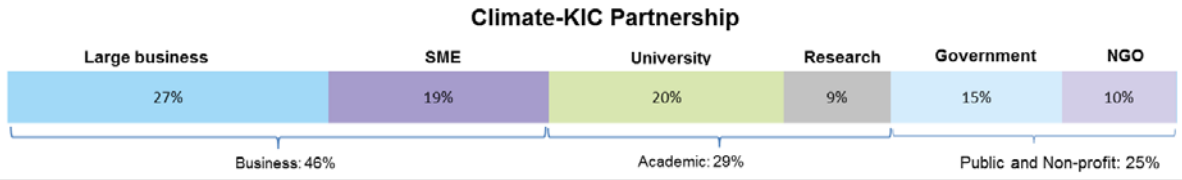
- First-mover advantage. Climate-KIC will help innovators capitalise on new business opportunities driven by Europe's first-mover response to climate change.
- Ramp-up. Climate-KIC seeks to increase the scale of its activities. This reflects the urgency of the climate change challenges and meets internal demand and anticipated budget increases in 2014.
- Challenge Platforms. Climate-KIC will firmly establish the Challenge Platforms which delineate and empower 8 innovation communities. These will help the KIC Executive define demand side innovation challenges and integrate educational and entrepreneurial activity around those challenges.
- Partnership strategy. Climate-KIC will focus on supporting the success of current partners and strategically acquire new partners in line with its long term partnership strategy.
- Our Climate-KIC community (see: below)
- Our core business – the three pillars (see: below)
- Our business model (see: below)
- 'Greening' the KIC: Given its mission, Climate-KIC seeks also to reduce the carbon footprint of the KIC itself and its partners. The strategic concept of the climate accounting and the seven work packages to be initiated from 2013 onwards
- Establishing a global profile and footprint: developing models of engagement, methods of assessment and identifying opportunities for development for implementation in 2013 onwards.
- Learning from our experiment: to achieve our ambitious goals we must experiment with new ways to support and accelerate innovation. The outcomes of this research will feed into our forward strategy and planning and become transferrable knowledge from our experiments in innovation.
- Maintaining excellence: Climate-KIC is built on excellence. To insure this is a key quality to our activities we will develop an external evaluation process, bearing in mind the limitations of confidentiality where IP is concerned

KIC Management: Governance, Partners etc.

Climate-KIC has developed an internal structure in the past years to support the innovation pyramid, building on integration of the different actors. The Governing Board consist of one academic and one non-academic member nominated by each CLC, and a representative of the RIC, typically the Chair of the RIC Steering Committee. Meanwhile, the members of the Assembly of the Association Climate-KIC are all core partners and two representatives of the

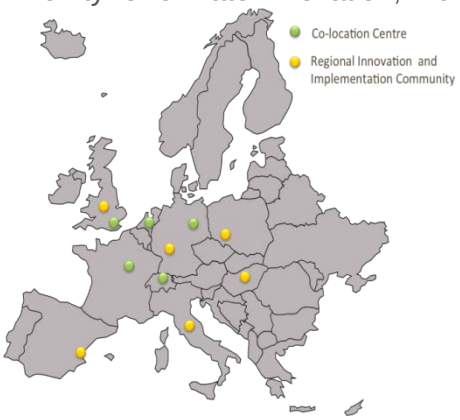
affiliate partners (elected annually by the Affiliate Partner Meeting).

Climate-KIC is a world-class community of partner institutions that educates climate innovators, supports good business ideas, and develops valuable products, services and markets that address climate change. We bring the three sides of the knowledge triangle – education, research and business – together with public bodies such as regional and city government, to create the innovation pyramid. We have developed and nurtured an active community, based on partnership among a wide selection of over 160 partners. This is a deliberately structured, cross sector community; much more than a network; leverage the individual partners to create an integrated, synergistic whole top universities and research institutes; large business, SMEs, NGOs and regional/city government – research, education, business and society are represented.



Co-Location Centres/ RICs

Geographically Climate-KIC is present in 9 European countries, in five co-location centres and six regions. These are together Europe's leading community for climate innovation, with a complementary role. The CLCs develop climate innovation, with both knowledge institutions and industry in the lead. The RIC regions deploy climate innovations by involving relevant actors, developing test beds and accelerating transition to low-carbon economies. To reflect these different and complementary roles, they have different governing structure. The CLCs are led by world class industry and academic partners, while public bodies (regional governments, development agencies and consortia) are the lead institutions on the RIC regions.



Decentralisation to CLCs and the RIC of innovation activity is a key requirement as we grow. During the strategic review of our community in CLCs/RIC in 2013 the potential for a future new CLC or region will be explored.

International Vision (towards non-EU countries)

Climate-KIC students and pioneers are key in reaching out beyond the boundaries of our core community, as coming from and returning to countries all across Europe and beyond. Existing relations in the USA have twofold aim of searching for market opportunities for our Climate-KIC start-ups and learning how the US ecosystem for entrepreneurship works.

International engagement provides advantage to Climate-KIC: expertise or implementation test beds not available in Europe, new sources of funding or, very importantly, access to new markets. Such international relationships take time to build in a progressive manner, with short, medium and long term targets identified. Climate-KIC is agile and opportunistic in this field and aims to take advantage of opportunities when they arise.

The Climate-KIC international relations strategy is being developed in 2013 to ensure proactive development of an international footprint, virtual or physical. The strategy will also support the decision regarding the many approaches Climate-KIC is already receiving from as far afield as Australia, Singapore, India and Qatar.

„Pillar" Strategies

Our three pillars—Education, Entrepreneurship and Innovation—drive our business and provide a shared "toolbox" to support our climate innovators. Our CLCs and the RIC lead and manage their local ecosystem of partners. They are at the heart of everything that we deliver. The Challenge Platforms represent our innovation communities at a pan-European level. They define our demand-led innovation targets and enable the pillars to integrate their activities around their challenges.

Education

Climate-KIC has a twin approach for education and training in climate change innovation to improve the understanding within established businesses of the opportunities and threats of climate change to their sector; whilst creating a world class cohort of climate change innovators and entrepreneurs who can deliver solutions to business challenges, create new climate change products, services and policies.

Our students learn by doing. In Climate-KIC they experience and learn how, business, politics and research interact in the process of translating business and policy ideas into marketable reality from real protagonists. They learn the basics of climate change science and policy, as well as how to generate marketable ideas and develop a business plan from these. We create a multidisciplinary community of student innovators where they learn how to work as teams and mould their inventions into viable businesses.

Labelling for EIT master programs began in 2012 and will continue over the coming years. Climate-KIC must work with a large number of masters programmes in order to cover the multidisciplinary expertise required to address climate-change innovation. In our multi annual strategy we aim to label over 100 masters programmes across our KIC, covering all thematic areas of our Platforms. The PhD programme is still in development with planned implementation in 2013. The label will be applied to both individual PhDs and to doctoral schools depending on the local set up.

Entrepreneurship

Climate-KIC Entrepreneurship pillar exists to support entrepreneurs, innovators and companies to fulfil their ambitions of making a difference to climate change whilst also making an economic impact and creating job growth in the EU. Our main three aims are to:

- Generate more high growth climate start-ups
- Support climate starters to grow faster and to expand internationally
- Provide growth opportunities for existing business

The Entrepreneurship pillar does this through incubation, top quality action learning in Masterclasses, mentoring, hands-on coaching, market development and providing funding mechanisms, specifically for the "proof of concept" phase. The entrepreneurship programmes are designed to accelerate time to market, create value and reduce risk.

World-Class Innovation

Climate-KIC Innovation helps both business and government to develop new products, services and policy and ultimately foster high-growth European companies that will deliver to global markets. Innovation provides a creative and stimulating environment for students, entrepreneurs and innovators. Innovation will continue to fund projects that deliver climate impact, deliver high value innovation, open new markets and create new jobs for Europe.

The two types (Pathfinder and Innovation) of projects create a pipeline spanning the entire innovation chain including market identification and development, innovation development, testing and market deployment. Projects build on a large array of Climate-KIC KCA in Education and Entrepreneurship, and the know-how and creativity of our world class community. The capabilities of the Climate-KIC community are thematically aligned in the

eight Challenge Platforms. In the next 5 years we aim to create a range of products and services clustered around the identified Platform challenges that translate into highly innovative products, services and policies.

Communication, Dissemination & Outreach Strategy

Created to change the way business is done in Europe, Climate-KIC is turning innovative ideas for climate change mitigation and adaptation into new products, services and ultimately, new businesses and jobs.

The communications landscape is changing. The trends are towards using social channels and networks, because that is a primary way that today's students and young entrepreneurs communicate. Therefore Climate-KIC embraces digital communications by starting, leading and joining conversations to create real engagement with our stakeholders. This is a form of inbound marketing, by building our brand and making it easy to be found in the digital worlds.

Outreach and knowledge dissemination

A highly potent means of knowledge dissemination is via people. Our students come from across the world and our Pioneers from across Europe. We regard them as global ambassadors of Climate-KIC, retaining their links with Climate-KIC via the Climate-KIC Alumni Association. We are proud of our diaspora and will continue to support our alumni in their future careers, and also importantly, to draw on their experience and innovative capacity in on-going innovation activities.

Our RIC regions provide a unique way to disseminate Climate-KIC knowledge and innovation. Their geographical spread across Europe, together with their firm link with public bodies enables Climate-KIC to understand and respond to the challenges and innovation demands of society, thus firmly embedding climate innovation in a much wider range of member states than would be possible with CLCs alone.

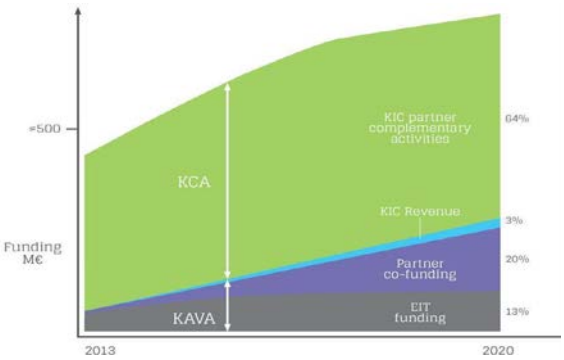
In 2013, the outcomes of previous outreach programmes (*theJourney* in the regions, outreach conference, study visits) will be analysed and the lessons learnt incorporated into the development and delivery of further pilots and substantive programmes. All pilots contain an element of 'training-the-trainers', thus supporting capacity building and linking through to the EU's 'Stairway to Excellence' programme.

Funding Model

The Climate-KIC Association is incorporated as a not for profit organisation. This reflects the nature of our mission. As such our mission is for the public good, in particular for the good of Europe. This sets the scene for our underlying business model, in which funding comes from public funding, private co-funding and direct revenue generation.

A pertinent question is then what is the balance between these categories and how to achieve this. Climate-KIC launched a work programme to establish the appropriate and realistic contributions.

Climate-KIC has *three lines of action* in order to move towards sustainability, the conservative (very conservative in the case of 'own revenue') estimates for the 2013-2020 period are shown in the graph below:



- To leverage further public funding both for core and complementary activities. The funding will necessarily be a combination of

European, national, regional and international sources.
- To grow our partners desire to contribute their own co-funding to added-value activities.
- To develop of our own funding revenue stream through the results of our activities.

EIT Contribution

In balancing the above, we anticipate that over the next five years the EIT will wish to maintain an influential voice in the activities of its Climate-KIC. Indeed the budget for existing KICs proposed for Horizon 2020 indicates this to be the case and forms the background for our thinking, sketched in the accompanying figure. Our current thinking shows a balance between the funding for KAVA from the EIT and from partners. This creates a balance between public good and private gain. Tapping into our ecosystem's competences and capacities is fundamental to our plans for growth. Our partners' 2013 KCA budget contributions provides clear evidence that we will not have difficulty in generating relevant KCA to enable the release of an EIT annual budget of approximately € 100M.

Other Funding Sources: private, public/ semi- public

The Climate-KIC complementary activities (KCA) meet three basic criteria, strategic fit, excellence and innovation potential. Additionally they contribute to the demonstration of thought leadership of Climate-KIC in the fields of climate change adaptation and mitigation.

Regarding co-funding Climate-KIC partners are encouraged to increasingly contribute own resources, while Climate-KIC also provides them with information on additional resources in European, national or regional programs (see examples above in complementarity)

Our analysis suggests that the most sustainable and synergistic income stream is through a return on value through investment in the businesses and projects that Climate-KIC incubates. We therefore aim to establish an investment model in 2013 whereby Climate-KIC can hold equity assets in start-ups and ventures. Additionally, we will develop other knowledge and service oriented business models that are complementary to the core Climate-KIC activities, such as education services, project-support services and Platform-based revenue streams.

EIT ICT Labs Contribution for EIT's Triennial Work Programme (TWP) 2014-2016

1 Horizon 2020

1.1 Synergies

ICT contributes to all pillars of Horizon 2020 as an enabling platform for new products and services addressing the societal challenges; as embedded to core technological domains to drive industrial leadership; and as part of the excellence in science both as a discipline of its own and as a driver for computational science.

EIT ICT Labs is active in all these domains through innovating both with ICT and in ICT in its action lines and through its educational initiatives for empowering the ICT talent for the future.

1.2 Complementarity

The integration of the domains of the Knowledge Triangle, enacted in the practical work of the action lines, forms the basis of the complementarity of EIT ICT Labs and Horizon 2020. This integration allows EIT ICT Labs to pursue cross-pillar synergies and strategies that otherwise would be out of reach of Horizon 2020 elements. By linking national and European initiatives in a single structure, EIT ICT Labs can also pursue opportunities that require action at both levels.

At the operational level, the catalyst-carrier principle ensures the complementarity of the investments made with EIT funding to the deployment of Horizon 2020 funding.

2 Overall Strategic Outlook 2014-2016

2.1 Indication of Key Activities and Expected Impact

Apart from CLC's and management, the work of EIT ICT Labs can be grouped under three main headings:

1. *Innovating with ICT:* Action lines aiming at ICT-enabled innovations in key European technological domains such as health and wellbeing, mobility, and energy.
2. *Innovating in ICT:* Action lines aiming at technology-driven innovations within the ICT domain itself, especially telecommunications and business ICT.
3. *Innovating in education:* Master School and Doctoral School action lines providing a Europe-wide platform for linking innovations and entrepreneurship with solid engineering and business education.

We expect all these lines to have impact in in creating new ventures, growing existing SME's, and renewing existing firms through new business opportunities.

More specifically, action lines oriented towards innovating with ICT seek impact through the contribution of ICT in future system-level solutions, products, and services in domains such as smart energy, health and wellbeing, digital cities, and intelligent transport systems. Action lines oriented towards innovating in ICT seek impact through adoption of their results by established ICT companies or new ventures. In all this, the entrepreneurially oriented graduates of EIT ICT Labs education initiatives are likely to play a key role.

2.2 KIC Management: Governance, Partners, etc.

The current legal form and governance model of EIT ICT Labs is designed to give the KIC a strong presence both at the European level (the KIC) and at the national level of the Nodes presently in Finland, France, Germany, Italy, the Netherlands, and Sweden. We do not foresee drastic changes in the basic setup.

EIT ICT Labs will continue its organic growth both to expand its European footprint and especially in response to the excellence and impact route needs of action lines. It has defined a formal process for selecting new partners at various levels (Core, Associate, Affiliate), and will use it to expand its present (industrial) partnership.

2.3 Co-location Centres

The focus of the co-location strategy of the KIC is on ensuring that the CLC's become world-class innovation hotspots characterized by frequent encounters between people from academia, research centres, and industry working together in the spirit of open innovation.

During 2012 and 2013, specific initiatives and investments have and will be executed to drive this strategy. These include the Doctoral Training Centres, launched in 2012 and to be expanded in 2013 and onwards; the Business Development Program, also launched in 2012 and getting in full swing in 2013; and initiatives to strengthen the

capability of the CLCs to act in their role such as full-time CLC Managers and full-time CLC marketing and communications specialists.

We will continue identifying and executing similar initiatives also in the mid term future especially through investments facilitating progress towards sustainable mode.

2.4 International Vision

In 2012, EIT ICT Labs launched its systematic outreach operations in Eastern Europe, to be continued and expanded in 2013 and beyond. The KIC also commenced short-listing of candidate sites and partners outside Europe, especially Silicon Valley/Bay Area (Stanford, Berkeley) and Boston area (MIT) in the USA and various actors in the BRICS countries (Brazil, Russia, India, China). During 2014-2016, some of these initial contacts are likely to become operational in areas such as joint innovation actions, experiments and field studies, technology transfer, educational outreach, and student and teacher exchange.

3 Pillar Strategies

3.1 Education

In 2012, EIT ICT Labs launched its two main initiatives in education: the EIT ICT Labs Master School, with initially seven technical majors executing at 19 universities, and the EIT ICT Labs Doctoral School, initially focusing on establishing Doctoral Training Centres in the CLC's.

During 2014-2016, the main emphasis of the education pillar will be on growing these initiatives to their full scale by increasing the student intake of the Master School and the Doctoral School and by establishing new DTC's. The 2015 goals are to admit 500 students to the Master School, 100 to the Doctoral School and to have 8 DTC's in operation. The speed of the scaling will depend critically on the ability of EIT ICT Labs to orchestrate complementary funding for student scholarships, in particular from related EU programmes.

To complement these actions, we will also launch (1) an initiative focusing on continuing education of specialists already working in the industry who need to update their ICT skills and (2) an educational outreach initiative, intended to spread the innovation and entrepreneurship education components of the Master School and the Doctoral School to further sites in Europe and elsewhere. The latter program is likely to include also a mobility scheme for the teachers.

3.2 Entrepreneurship

The strategic goal of the business activities of EIT ICT Labs is to build a comprehensive end-to-end platform for catalysing new ventures, growing existing SME's to European and world-class scale, and facilitating the renewal of established large industries. Entrepreneurship forms an essential ingredient in all these objectives.

The key initiative in this domain was the launch of the EIT ICT Labs Business Development Program in 2012. During 2014-2016, the emphasis is on developing the services of the BDP further towards the strategic objectives, especially services supporting access to capital and rapid internationalization of a venture's business.

3.3 World-Class Innovation

At the core of EIT ICT Labs' approach to world-class innovation is the concept of *thought leadership in ICT innovation*, created and reinforced by the *innovation cycle:*

1. *Set the agenda*: Build and maintain the competence for defining compelling and engaging visions of the future and getting them recognized by the key stakeholders.
2. *Mobilize actors and resources*: Build and maintain the competence of recruiting other relevant actors and their resources – funding, brains, technologies – to pursue the goals of the agenda.
3. *Execute*: Build and maintain world-class competence in executing the full scape of activities needed.

4. *Deliver*: Build and maintain world-class competence in bringing the results to the market and facilitating their commercial success and impact.

This, in turn, requires access to key resources and skills:

1. *Set the agenda*: Excellent people and ideas, excellent strategy process, excellent foresight provided by the Innovation Radar catalyst
2. *Mobilize actors and resources*: Excellent network, partners and brand; excellent liaison with related initiatives; excellent business planning process
3. *Execute*: Catalyst-carrier model, action line model, CLC's and their infrastructure, excellent operational processes.
4. *Deliver*: Education outreach, business incubation, exploitable R&D results.

It can be seen that the innovation cycle is a fundamental part of the strategy that sets the stage of nearly all other aspects of it; for instance, the two other "pillar" strategies can readily be seen as contributing to it.

4 Communication & Outreach Strategy

The definition and implementation of the communication strategy of EIT ICT Labs is assigned to the Marketing and Communications (MarCom) Director, who reports to the CEO and is a member of the Management Committee of the KIC. A full-time MarCom specialist at each Node facilitates the operations.

The MarCom strategy focuses on building a consistent and impactful “face to the customer” by establishing and developing the EIT ICT Labs brand. This covers the entire range of interactions with external and internal stakeholders: innovation ecosystem partners, industry clusters, relevant innovation communities in European and national level, non-European contact points, user communities, decision makers, general public. The means cover the full range from electronic communication to KIC-branded event formats and CLC colour schemes. Part of this strategy is presence and visibility in key venues. In 2012, the KIC was present at the influential CeBIT conference and in 2013 the Mobile World Congress.

5 Funding Model

5.1 EIT Contribution

According to the catalyst-carrier model, the EIT contribution to EIT ICT Labs will be exclusively targeted to catalyst development and maintenance and to catalyst application over carriers. During 2014-2016, we expect the share of the EIT contribution to the KIC budget to remain at the level of 25% of the total.

5.2 Other Funding Sources: Private, Public / Semi-public

In 2013, EIT's share of the total budget of EIT ICT Labs is 21%. Other funding to KIC activities comes from partners' own contributions (22% in 2013), other EU programmes (19%), national/regional sources (32%), and other private/public sources (6%).

During 2014-2016, we do not anticipate major changes in these shares of funding sources. We expect the funding from third party sources (e.g., international ICT companies) to increase over the years with direct investments in the vicinity of CLC's; however, only part of these investments will be directly displayed in the financial records of the KIC or the nodes.

The development of own sources of revenues for the KIC is part of the long-term strategy of the KIC. The development of the related business models was commenced in 2012; some pilots will be run in 2013. The impact of these sources of funding will nevertheless be still modest in the 2014-2016 time frame.

KIC InnoEnergy

Contribution to EIT TWP 2014-2016

1. Horizon 2020

Synergies (with other EU initiatives)

Energy has been defined by Europe as one of the Societal Challenges. It is no wonder since energy represents an average of 27% of the cost of any good or service that is bought and sold in Europe. On the other hand, the numbers of players in the value chain are not too many, and that has allowed that the forum where the energy challenges is discussed, and where the roadmaps to solve those challenges are agreed, are participated by all the needed stakeholders.

Those stakeholders (industry, regulators, Commission, academia, research centers, and institutes) have agreed since long time ago on the SET Plan (Strategic Energy Technology Plan) has the road ahead for the common choices. And most instruments and EU initiatives are anchored in the SET Plan.

When KIC InnoEnergy was created, the SET Plan was the umbrella that defined the borders of our actuation field, and so they remain. That is why KIC is another key player of the common road ahead in the Energy sector for Europe, which is the SET plan.

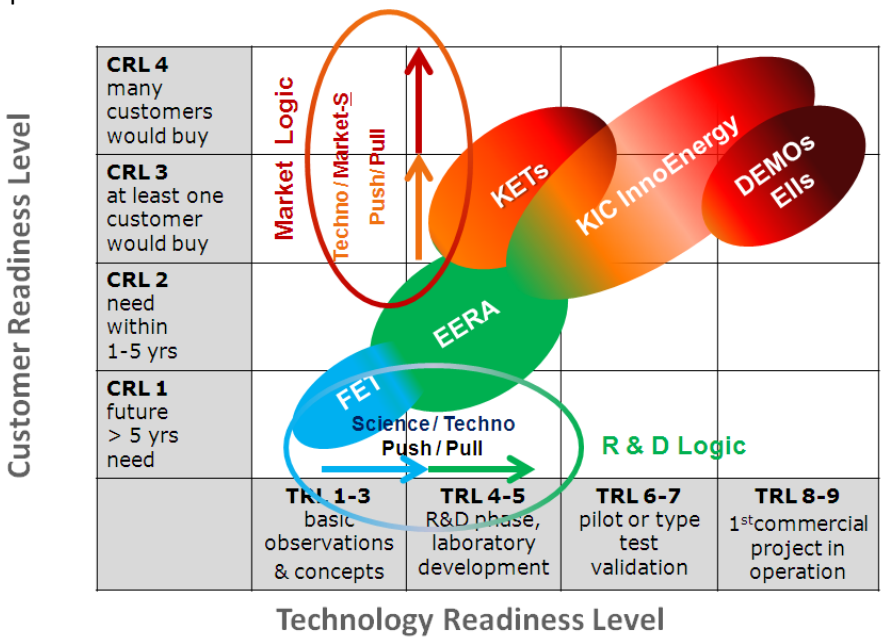
The Energy agenda for 2020 is set (the well known 20-20-20: 20% of sources coming from renewable; 20% of reduction of Green House Gas Effects; 20% of energy efficiency gains), and it is the compass for all the EU Initiatives, and also for KIC InnoEnergy.

Complementarity (contribution to overall policy objectives)

In that context, KIC should not be doing the same things as the other initiatives are doing, but complement with a different approach, again with the same goals, that in our case are even more to the point: decrease the cost of energy (€/kwh), increase the operability (intrinsic and security of supply), decrease the GHG effects).

Our approach is different, and we will strive along the way to keep it different and better. Our vision is to be "The leading engine for innovation and entrepreneurship in sustainable energy" and within this vision the keyword is "engine", because we do things differently, without doing different things; and the key is the leverage of the knowledge triangle.

If we position ourselves vis à vis some of the other instruments in a simple maturity model for Technology (TRL) and Customer Readiness (CRL), the relative positioning and complementarity would be the one depicted in the following graph.



2. Overall strategy Outlook 2014-2016

Key activities and expected impact

2013 is a very crucial year because the European Parliament and the Council will decide upon the proposal of the Commission (from November 2011) on the EIT budget and the rules for the period 2014-2020.

The outlook presented in this section is based on the following assumptions:

1. That the budget requested by the Commission is not drastically changed.
2. That the split between the budgets dedicated to consolidate the current KICs and the future KICs is maintained.
3. That the mid term review in 2017 will show, **as we do not have any doubt**, that the KICs are more efficient in delivering impact than other European instruments.

Upon those assumptions, KIC InnoEnergy sizes the annual engine at 400M€ of total annual business plan in the permanent regime phase (to be reached in the period 2014-2016). The **impact** of our performance will be five fold:

a) job creation
b) increase of competitiveness of the European energy industry
c) support the growth of the European Energy Industry
d) support a sustainable energy development
e) create a more efficient way of doing innovation.

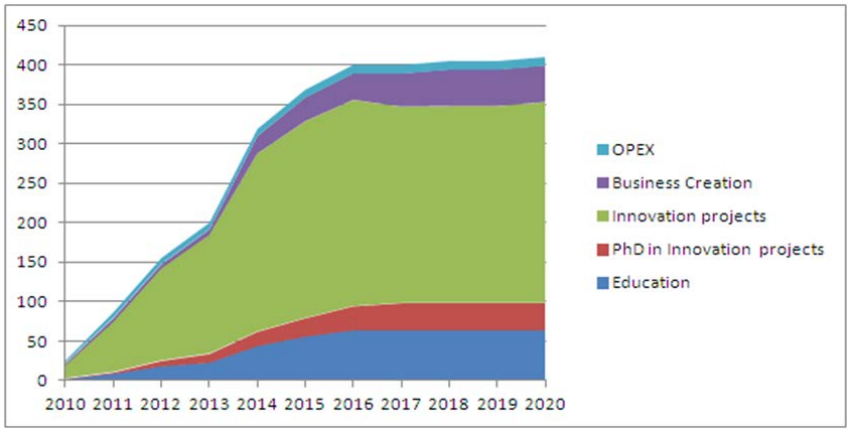
And in quantitative terms in **output** objectives, that are more easily to be measured since they can be isolated from others and correlations are non existing:

1. **In Education:** With that planned investment we will be delivering, per year **1000 MSc graduates and 300 PhDs.** With this outflow, KIC InnoEnergy will represent 5% of the total pure sustainable energy talent which is delivered in Europe per year, and with **5% of game changers** we can definitely change the game, that is our vision.

2. **In Innovation projects:** While the investment in technology could be increased almost indefinitely, we want to keep a certain balance in the portfolio between the 3 business lines. If terms of **new products and services, an average of 60 will be delivered annually on this run rate.**

3. **In Business Creation:** In order to strike the right balance between the three business lines as well as maintaining the necessary manageability to deliver top quality, in the run rate, we aim at **250 ventures nurtured annually and 30 start-ups launched per year**.

In budgetary terms, that results in a business plan for the period 2014-2016 and up to 2020:



KIC management: Governance, Partners

The described activities in the three business lines **are designed, developed and implemented by the partners' resources**, with the process being **executed and managed** by the executives of KIC InnoEnergy. As of today the segmentation of the partnership is as follows:

	Shareholders Formal Partners	Associated & Project Partners	*Total*
Industry	9	89	*98*
Research Centers	7	8	*15*
University	10	17	*27*
Business School	2	0	*2*
TOTAL	*28*	*114*	*142*

KIC InnoEnergy Partnership

These partners are **top-rank** industries, research institutions (normally PRO) and universities as well as business schools, that are top players worldwide in their domain of expertise.

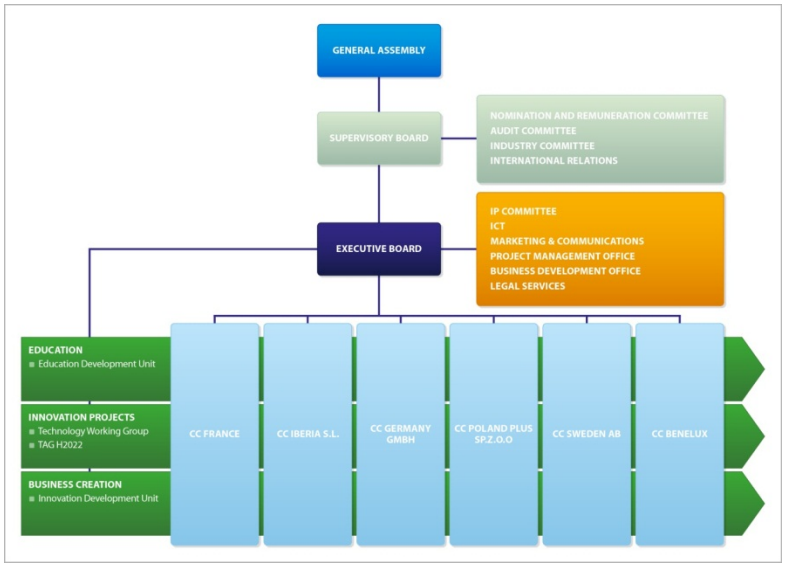
KIC InnoEnergy's partners are geographically mapped across Europe and associated either with one of the six Co-Location Centres or at the KIC level. The partnership is not limited to the countries where the Co-Location Centres are established. Partner selection follows the rationale of incorporating the necessary excellence to be delivered in our activities. Therefore our partnership also includes partners from the UK, Norway, Hungary, the Czech Republic, Italy, Denmark and Israel. In the period 2014-2016 we will **continue the focused outreach** towards the top players (identified in 2012) by integrating them into our activities.

One of the key characteristics of the current partnership, that has been and will continue to be a **main focus** of KIC InnoEnergy, is the **essential presence (as the numbers show) of industrial partners, both SMEs and major companies**, covering most of the energy value chain.

Governance

KIC InnoEnergy is a **fully operational commercial company,** currently with **28 shareholders** incorporated as a Societas Europaea (SE). We re-confirm that the governance structure, which was designed in 2010, built in 2011 and strengthened in 2012, is one of the **key success factors**, and as such, will be further reinforced.

The governance structure is:



KIC InnoEnergy governance structure

The **General Assembly** is where all 28 current shareholders of the company are represented. Like in any commercial company, the General Assembly is the highest governing body.

The **Supervisory Board** of KIC InnoEnergy SE consists of 14 representatives, 2 representatives from each Colocation Centre (CC) and 2 representatives at KIC InnoEnergy level partners (industries). KIC InnoEnergy articles of association require that at least one of the two representatives per CC comes from an industry partner. As of today, the Supervisory Board is composed of eight members from an industrial company, three from Public Research Organizations (PRO), and three from higher education (incl. one business school). There is a rule by which the Chairman and the Vice Chairman belong (alternatively every 2 years) to industry and academia.

The Supervisory Board has 5 sub committees:

- **Nomination and remuneration** (1 business school, 1 University, 1 PRO)
- **Audit** (2 industries)
- **Equity Authorization**: responsible for the eventual acceptance of KIC InnoEnergy first equity position in the start-ups we nurture (2 industry, 1 university)
- **Industry:** Responsible for the industry positioning and business priorities in KIC InnoEnergy strategy (vis-à-vis company strategy, business model, relation with external stakeholders).
- **International Relations:** Responsible for the outreach and international relations (7 members)

The **Executive Board** consists of the CEO, CFO, COO and the six CC Managers, and each quarter the EDU and the INDU Director are invited. The majority of the board members has an industrial background at executive level (up to 500m€ companies) with complementary experience in education and/or innovation.

The **governance structures of the Co-Location Centers** reflect the same guidelines and rules as in KIC InnoEnergy SE (e.g. in CC Iberia the president is affiliated with a university partner, while the vice-president comes from an industry partner; in CC Poland Plus, the Supervisory Board is composed of the CEO of KIC InnoEnergy and the director of PRO GIG and the general director of the company TAURON Wytwarzanie SA).

Colocation centers

Physical integration of the knowledge triangle happens in the six business units, which are the **Co-Location Centers**. The CC are the implementation arms of KIC InnoEnergy, responsible for the implementation of the agreed KIC InnoEnergy business plan, and accountable for the delivery of the agreed objectives and outputs. We include, as a reminder, the current set up of the collocations in terms of partnership.

KIC InnoEnergy Co-Location Centers

International Vision (to non EU-countries)

As explained previously KIC InnoEnergy has an International Relations Committee who is responsible for defining the international strategy of KIC InnoEnergy. As of today, and for the next years to come, the target markets where we will be **proactive** are:

- China (already started with the Chinese Academy of Science)
- USA (already started with several players)

The goals and objectives under exploration with those countries, to be developed over the 2014-2016 period, are:

- Identify pools of talent in order to link those to our Education activities, so we can source top talent from them
- Identify niches of excellence in certain technologies, so we add their expertise and competence to our strategic roadmaps
- Indentify "customer markets" (industry segments) where we could deploy the technology and services developed in our innovation programs, as per definition underneath.

Our portfolio. Product for the customer		Customer						KIC InnoEnergy Value Proposition	
		Public Adm.			Priv. Corporation				
		Boss	EDU arm	Inno arm	EDU func.	Strat func.	R&D Corp.	Strengh	Weakness
Strategic consulting									
	Design of a KIC like concept							One of the few references of the world. Lessons learnt. We know how to design and implement it.	Bandwidth of Qualified ressources
	Implementation of a KIC like concept								
	Operation of a KIC like concept								
	Advisory to their Innovation concept							Able to evaluate and implement several scenarios. Benchmarking.	
Product based offer									
Education									
	Design of a bespoke MSc/PhD SChool/LLLM							Generic energy+specialized energy+entrepreneurship+soft skills+hands on (internship). We have done it. We can taylor for you.	We are a newcomer, and still have not shown full results.
	Implementation of a MSc/PhD School/LLLM								
	Running of a MSC/PhD School/LLLM								
	Advisory to their Education strategy & Operation								
	Delivering one of our 4 (currently) MSc							We have it off the shelf	None
	Delivering one of our 3 (currently) Exec Prog.								
	Delivering one of our 7 (currently) LM								
Business Creation									
	Design of their bespoked Highway							Different approach to existing incubators. USP extremely compelling.	None, except some tangible KPIs
	Implementation of their bespoked Highway								
	Advisory to their Highway								
Technology Innovation									
	Bespoke R&D team for a precise need in their portfolio in our fields of expertise							Almost core top notch in our 6 thematic fields	We have to build our USP in the 6 thematic fields
	Licensing of our Technology Assets							KIC as VAR. Under evaluation.	No IP portfolio yet.

KIC InnoEnergy services to external prospects

- Benchmark our innovation models (Knowledge Triangle, Highway, Education Raw Materials) to best practices in those continents/countries.
- Co-development of innovation impact models.

- Mediterranean Countries (already started with several players)

Special attention and resources will also be devoted to Mediterranean Countries since their contribution to an energy solution to Europe might be required.

For other areas of the world we will be **reactive** (as we have been upon demands from India)

4. Pillar strategies (short version)

The strategic objectives of KIC InnoEnergy per business line are:

- For the **education business line**, develop adapted ILO (Intended Learning Outcomes in sustainable energy themes, entrepreneurship and new economy management), and train the students, PhD candidates, and mid career professionals on those new ILO. Then use the talent for pragmatic and real "learning on the job" in KIC InnoEnergy innovation projects. Finally nurturing some of the above (those with the appetite and business ideas) in KIC InnoEnergy Highway™. **Mobility, hands on the job and permanent contact with industry** are attributes that are embedded in the education programs.

- For the **Innovation Projects business line**, select within the SET Plan which energy processes have a higher degree of improvement or disruptiveness in terms of impact (cost-efficiency, security, CO2 emission, European autonomy), map the competences from our partners and partners to be, and create the final layer of innovation that will allow us to complete those improvements or that disruption, so products and services are delivered **in due time at the right cost**. No basic research is pursued (we are in TRL5 to TRL9), the strategic objective being to cover the "last mile", in order to transform the existing technology assets into tangible new commercial opportunities.

  All the innovation projects fall within one of the 6 thematic fields selected (smart grids & storage, energy efficient buildings & cities, renewables, chemical fuels, clean coal technologies, nuclear and renewable convergence), and focus on commercial applicability. On top of those projects KIC InnoEnergy targets also on projects that focus on enabling knowledge and technologies applicable to all the six thematic fields, and thus with an indirect impact on the market.

- For the **Business Creation Services business line**, deliver a set of added value services to entrepreneurs so they will become successful and rapidly growing companies. Those individuals can come either from the students, PhD or mid careers professionals trained within KIC InnoEnergy education programs and working in our Innovation projects, or from external sources. These business creation services are defined at KIC InnoEnergy level and implemented locally at the collocations.

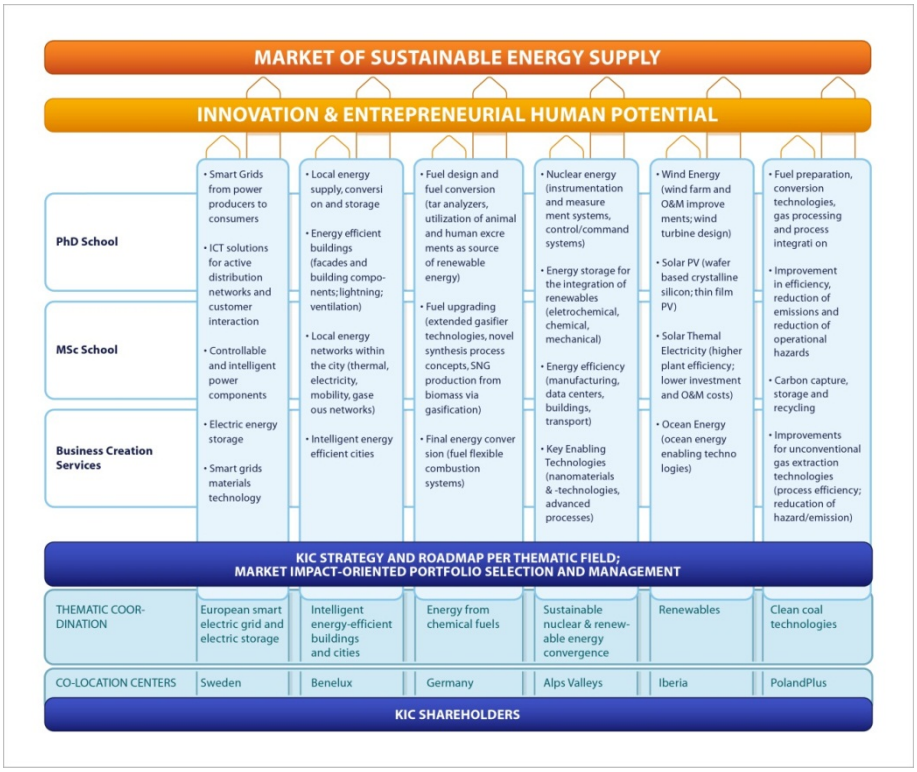
5. Pillar strategies (long version)

Technological Innovation Projects

KIC InnoEnergy strategy is framed, as explained above, within the SET Plan. The strategy for the next 8 years have been defined, and we have decided in which topic areas we are going to focus, and in which not, because we would be able to make a difference. The criteria for selecting or discarding topics have been 7:

- ***Top1:*** *Shortest Time to market (for the technology involved)*
- ***Top2:*** *Highest impact in: Energy cost decrease, Increase of operability, decrease of GHG effects*
- ***Top3:*** *Declared KIC industry interest and commitment*
- ***Top4:*** *Leadership and competence of KIC partners in the said topic and technology*
- ***Top5:*** *Foreseeable regulatory impact*
- ***Top6:*** *Required investment to develop the innovation*
- ***Top7:*** *Cross impact in several applications*

And the outcome is graphically:



KIC InnoEnergy strategy in Innovation Projects

We would **like to highlight**:

- Each topic of the roadmaps per thematic field is a very detailed, incorporating, per topic area:
    - the market needs where we can make an impact
    - the technologies that either by disruptive or incremental innovation will create an impact
    - the qualitative and sometimes quantitative targets of those impacts (that we put ourselves)
    - where our current portfolio of projects sit

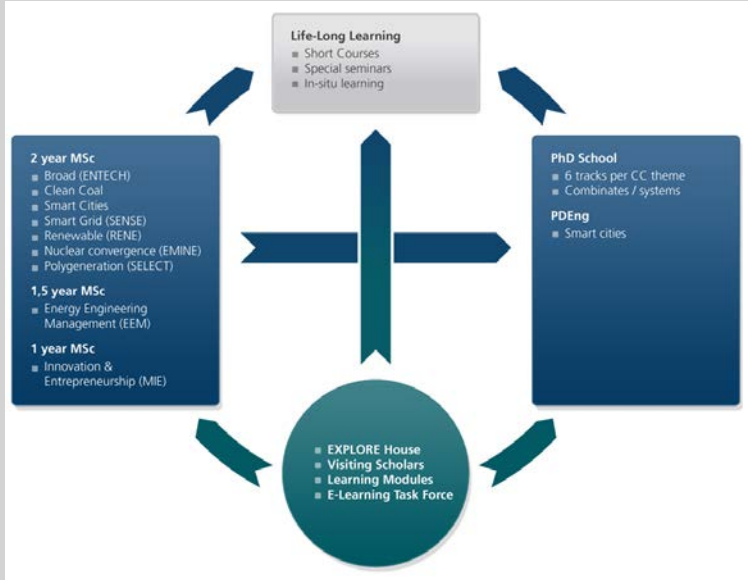
We deem necessary here to share with the reader **some key attributes** that qualify the business model supporting our Innovation projects:

- All the projects that KIC InnoEnergy funds need to have an impact in (one or more of):
  - **Decrease the cost of energy**
  - **Increase the security (intrinsic operability, or autonomy in supply)**
  - **Decrease the GHG effects**

  That is why our scoreboard reflects those three KPIs.
- Before the projects receive the go ahead, thus investment from KIC, they have to fulfill (called internally WP0) a comprehensive analysis of **end product competitiveness, freedom to operate, market analysis (NPV), technology readiness and operational feasibility**, even for the very prospective ones. If a project goes beyond that stage, we have fair chances that it will deliver a winning product or service.
- The projects need to define upfront what is the output (product or service), and incorporate as much as possible **all the players of the value chain that will make the "design to sale"** quick and costly efficient, in the already expressed continuous push-pull and continuous re-evaluation of the product competitiveness (functionality/cost).
- All projects of the ongoing portfolio are evolving towards analysis on **Technology readiness Level (TRL), Market RL, Customer RL and Innovation RL (a combined index to the first 3 ones),** to understand whether our investment is expected to be efficient or not, and when.
- The **portfolio is managed under industry** standards, meaning that all projects follow a stage gate model in their implementation, with no less than 3 gates, where investment can be stopped if the objectives are not fulfilled.
- The **sustainable business model is based on valorization of IP** (patents, knowledge or copyright) that is legally implemented between KIC and the partners of the **project since 2011**.
- All **our PhD candidates have to work in our Innovation Projects**. Otherwise they are not KIC PhD candidates. This way, by design, **we assure that those 2 business lines are intimately linked**.

Education

The educational landscape that was fixed in the early 2011 has during 2012 been initially implemented and will be fully deployed and consolidated in 2014-2016 where we will be reaching our cruising speed of 1000 graduates per year in the graphically described Education Portfolio.



KIC InnoEnergy Education Portfolio

From a **WorkPlan point of View**, the Education strategy has the following targets for 2014-2016:

MSc School:

- UPGRADE the quality of the MSc programs to the level required by the EIT label, based on the quality process launched in the spring 2012.
- HOMOGENEIZE the processes that will bring value if standardized: Admission, Promotion, Selection
- SIMPLIFY the MSc School, with fewer entry and exit points
- INVOLVE MORE ACTIVELY INDUSTRY in the key processes: Promotion, Design, Selection, Internship, MSc Thesis.
- BRING more sociological and econometrics knowledge into the syllabus.
- BALANCE the self paying students with the supported ones (scholarships)
- REACH the run rate of 1000 Masters Graduates outflow per year.
- REACH the right balance EU-non EU applicants

PhD School:

- LINK OPTIMALLY all tracks to the portfolio of Innovation Projects
- REACH the run rate of 300PhD outflow per year.

Executive Programs:

- FULL self sustainability of the Executive programs.

Transition and Alumni (New function):

- FULL IMPLEMENTATION of the concept
- RUN the transition to the labour world optimally, so each cohort has an 90% success ratio (a job in the graduation year).
- At least 90% of graduates stay in Europe

Learning modules (Life-Long Learning included in this heading)

- INCLUDE a market analysis in all proposed Learning Modules, which justifies its developments and future commercialization.

Explore House:

- FINALIZE the new design that incorporates the valorisation of assets.
- DEVELOP and IMPLEMENT the first service layers
- CREATE the first revenue streams by end 2013 and expand them in 2014-2016 as per business plan.

Marketing:

- IDENTIFY pools of talent within non KIC InnoEnergy European countries.
- SWITCH from the promotion of seven different programs to the promotion of one MSc School with seven different tracks
- STREAMLINE the promotion for the MSc School with the objective to INCREASE the number of (eligible) applicants as well as to INCREASE the number of students willing to enter the MSc School even without a scholarship
- REACH the an equal balance of EU vs non-EU applicants

Business Creation

Our strategy in Business Creation is to nurture, in early stages, business ventures with the following attributes:

- the most sustainable ones
- the ones with higher survival rates
- the most international ones
- the ones with highest impact in their field of expertise

The added value services we deliver to them in the Highway are meant to address the improvement of 4 dimensions:

- The technology dimension of the business idea
- The business model
- The team
- The access to finance

KIC InnoEnergy Business Creation Services: The Highway™

Pursuing such objective, KIC InnoEnergy designed the InnoEnergy Highway™ in 2011. During the year 2012, the InnoEnergy Highway™ was consolidated in the six collocations achieving a high level of communality and consistency among all of them to guarantee that the service provided was the same one.

From a **WorkPlan point of View**, the Business Creation strategy has the following targets for 2014-2016:

Presales: Filling the pipeline:

- SHARP RAMP UP of the presales activities in order to increase the deal flow.
- EXPAND the geographical "fishing" areas for new ventures, looking outside the local footprint where we have been used to fish.
- STRENGHEN the links with local players that have scouting networks already running
- ESTABLISH structurally the link with the Innovation Projects and the MSc Thesis of the MSc School, so we foster the flow of **Intra KIC InnoEnergy** cases. And manage it.
- KEEP ON PUSHING working with our big industrial partners, and understand whether they would like to share policies on **intrapreneurship** (promoting entrepreneurship within the companies or research centers)

Highway Services

- IDENTIFY the cartography of recurrent services that are required by entrepreneurs in all CCs, and ESTABLISH the framework contracts for a quick "time to market" service
- DELIVER the Highway services with paramount quality.

On the funds:

- CONTINUE leveraging the three funds that are from our own KIC InnoEnergy cash (the acceleration fund, the investment fund, and the equity fund).
    - *Acceleration* for the "salary" of the entrepreneurs when we include that support in the Highway.
    - *Investment* for the technology piloting of the business idea.
    - *Equity* for, when needed (required in some countries), paying cash the equity agreed in the Highway agreements.
- FULLY DEPLOY the designed KIC InnoEnergy network of VCs, that complements the required investment funds for the proof of concept (POC) or manufacturing phases
- IDENTIFY the convenience to develop a local Business Angels network for the pre-seed phase, and in case it is deemed needed, DEVELOP and IMPLEMENT it.

On INDU unit:

- CONTINUE identifying, developing and sharing best practices among the different CCs and DEVELOP new ones so the Highway keeps one step ahead in terms of its unique selling proposition (USP) vis à vis other incubators/accelerators
- SECOND BENCHMARK of the performance of the CCs
- DESIGN a USP for the growth phase of the start-ups, to be implemented, if found, in 2014-2016

4. Communication, Dissemination

KIC InnoEnergy' communication strategy is focused on a full set of **target groups** and corresponding **objectives** which require different contents and channels. List underneath shows the objectives per target group (internal and external stakeholders):

- **Stakeholder 1: "Students"**

  They are the "customers" of our education programs: Bachelors, Graduates and mid career professionals. We need to capture the best because they will be the **game changers** of the future.

- **Stakeholder 2: "Entrepreneurs"**

  They are the customers of our Highway™. They are people with business ideas or innovative ideas, which might come from KIC surrounding (KIC educational programs, KIC partners) or from outside (extra KIC). We have to offer them a Unique Selling Proposition, so they choose us vs other incubators and accelerators.

- **Stakeholder 3: Industry (large companies, SME)**

  They are our prime target in terms of users/buyers of the "products" we deliver (talent, innovation (in form of patents, new services, new products) or new start ups)

- **Stakeholder 4: European, national and regional authorities or agencies (EIT included)**

  KIC is born financially with the seed support of the EIT, and capitalizes on the research results of other instruments (EU; national, regional). Also the foundational rationale of EIT/KICs is to evolve, to the better, the Innovation System in Europe. So this stakeholder is extremely important in terms of disseminating our progress.

- **Stakeholder 5: KIC partner organisations, KIC team**

  It is the "employees" of KIC InnoEnergy, the resources to deliver what we intend to deliver. So their alignment is critical, and thus the right communication.

- **Stakeholder 6: KIC shareholders**

  They are our owners and as such are the key stakeholders

- **Stakeholder 6: Public and private investors**

  The financial means that we have are limited, and for one of our activities (Business Creation), we need additional financial resources to deliver a premium service to our entrepreneurs.

- **Stakeholder 7: Innovation community ww**

  KIC InnoEnergy is a new way of doing innovation, more efficient in design, and so proven after 2 years in business. We need to share our novelties, our results, and interact periodically with the innovation community ww, in order to do a certain "thought leadership" and to benchmark our progress.

- **Stakeholder 8: Energy community ww**

  Our objective is to be influential in the energy sector and by transitiveness in the economic sector. Not only energy companies, research institutions and universities in the energy sector should be in this group, but also regulators.

5. Outreach strategy

Outreach strategy for 2014-2016 is operationalized in 4 activities:

Objective 1: Attracting talent to our educational programs

Activity 1a: Active promotion of educational programs (MSc, PhD School) in Eastern Europe

- **Rationale:** The two student intakes (2011 and 2012) of our educational programs have shown an unbalance of European vs non-European students. Our promotion efforts in Eastern European countries have not been specific so far. Only the generic actions (web based) might have had an impact.
- **Actions:**
  - Identification of key European universities outside current CC
  - Identification of key institutes within those universities
  - Design of specific promotion activities for those targets (institutes? Or universities and institutes?)
  - Set of common targets (for what?)
  - Active promotion in those institutes
- **Impact pursued:** Capture the best bachelors and other graduates of Eastern European countries for KIC InnoEnergy educational programs.

Objective 2: Completing the KIC InnoEnergy partnership

Activity 2: Identification and incorporation of niche excellence outside the current partners:

- **Rationale**: The innovation capacity and competence mapping done in 2012 has provided a preliminary list of excellent players in our thematic field which are outside of the current partnership.
- **Actions:**
  - Identification of top players outside current footprint of KIC InnoEnergy, through extended Innovation capacity and Competence Mapping
  - Discovery actions to understand their innovation capacities and contribution to KIC InnoEnergy goals.
  - Share the strategy and road mapping, per thematic field, with the identified top players
  - Active inclusion of the top players in the call for proposal 2013-2014
- **Impact pursued**: Accelerate the completion of the KIC InnoEnergy network on grounds of excellence and cohesion.

Objective 3: Accelerating and demonstrating the impact of the results from Innovation Projects

Activity 3: Identification and preparation of industrial sites (outside the current partnership) to pilot the products and services already delivered or close to delivery from our Innovation Projects:

- **Rationale**: In 2011 and 2012 KIC InnoEnergy will deliver some 60+ new products and services that will have an impact in industry processes, either by decreasing the energy cost, increasing the operability or decreasing the greenhouse gas effect. The "time to market" of those product and services is shortened if they are adopted, thus tested, by more users (in our case mainly industries).
- **Actions:**
  - Identification of industries (big or SMEs) and research centers outside the current partnership that are possible targets for the services and products developed in 2011, 2012, and 2013.
  - Identification of funding mechanisms (EIB, regional funds, other) that could provide financial support to the piloting in 2013 and beyond.
  - Launching of identified pilots.
- **Impact pursued**: Accelerate the testing, POC or adoption of the product/services developed; accelerate competitiveness of industry in non current KIC InnoEnergy partners.

Objective 4: Developing the brand to establish KIC InnoEnergy as the leading engine for innovation and entrepreneurship in sustainable energy

Activity 4: Dissemination of the KIC InnoEnergy concept outside the current nodes

- **Rationale**: The EIT/KICs is a new concept that needs to be understood. The number of stakeholders is huge (Commission, Member States, Parliament, actors of the knowledge triangle, investors, non-EU players, other constituencies), each with its own motivations for being part of the game.
- **Actions:**
  - Organize and participate in events and meetings to share the evolution of our achievements with the different stakeholders.
  - Identify universities, research centers, public administration bodies, incubators and industries that are not KIC InnoEnergy partners, but have the potential to contribute to the achievement of KIC InnoEnergy's business objectives.
  - Respond actively to all requests on KIC InnoEnergy processes and procedures, sharing our lessons learnt.
- **Impact pursued**: That all stakeholders understand why the EIT and KIC InnoEnergy are different:
  - Attract the best to become players in this new endeavor
  - Make it easier to understand for outsiders how things have been done, so the creation of new KICs will be less costly, more targeted and aligned with EIT objectives.
  - Increase the efficiency of integration of new partners into KIC InnoEnergy (because they will already have a better understanding of what it is all about).

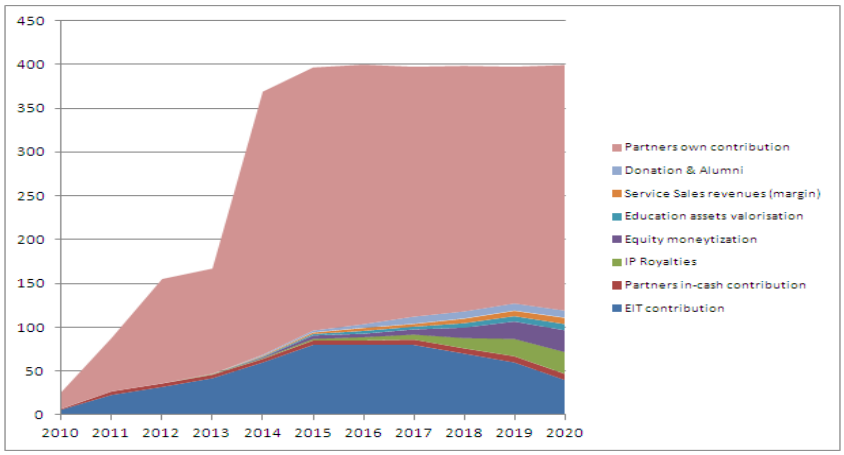
6. Funding model

The financial strategy of KIC InnoEnergy reflects two dimensions:

- a **profit but "not for dividend"** strategy where profits are re-invested in new activities.

- **progressive financial sustainability** meaning the independence from a single source of "revenue". Since 2010, KIC InnoEnergy identified **additional sources of revenue** (royalties from IP commercialization, monetization of equity, valorisation of educational assets, service fees from a portfolio of consulting services, donations). In 2011 we established **the legal framework** in our relation with partners and entrepreneurs that support these revenue streams. Thus, our current portfolio of activities is already within that framework of revenue streams. In 2012 we have continued to refine the **business models** for these revenue streams, and in 2013 the first streams will kick in.

  As of today's forecast, the sourcing plan for KIC InnoEnergy activities for the next 8 years (thus including 2014-2016) is:



<u>Some key messages on this prospective sourcing plan for the permanent regime (400M€ of annual business plan, 2015 onwards):</u>

- The partners ***own contribution*** is the big contributor: 300M€.To put this amount into perspective, the **<u>current</u>** industrial partners annual total technology investments (annual technology CAPEX and R&D budgets) is currently 52B€. The 300M€ own contribution represent 0,6% of this total technology investment which proves the leverage capacity of KIC InnoEnergy.
- Sources generated by KIC InnoEnergy **business model will represent, in the long run, 20-25%** of the total sources budget.
- The **EIT contribution** remains substantial, as expressed previously, for some activities like education and partially business creation, but the ratio decreases from 25% over the total budget to **around 10%.** Table underneath shows the total expected amounts of necessary EIT investment to implement KIC InnoEnergy's multiannual industrial plan.

	ACTUALS		BUDGET	FORECAST						
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
EIT CONTRIBUTION	6,2	23	32	45	60	80	80	80	70	60	40